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A BRIEF

to the

ROYAL COMMISSION

ON TAXATION

by the

CANADIAN SCHOOL TRUSTEES' ASSOCIATION

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FOREWORD

The Canadian School Trustees' Association is a non-profit organization and was formed in order that provincial organizations of school trustees would, among other things, have a central body which would represent them in all matters of common interest and be their spokesman.

At the annual meeting of the Association in Calgary in September, 1962, a resolution was moved and unanimously adopted that the Association prepare and present a brief to the Royal Commission on Taxation outlining the financial and taxation requirements in respect to the field of education in Canada, with particular emphasis on the needs of public elementary and secondary school education.

The Association is deeply indebted to Dr. Eric J. Hanson, Professor and Head of the Department of Political Economy of the University of Alberta, and to his assistants, for the major part they have played in the preparation of this submission.

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I. INTRODUCTION

A. GENERAL

Education is one of the major public services in Canada, and it is absorbing an increasing share of the total revenue of all governments. In 1946 public expenditure on education was about 8 per cent of the revenues collected by all levels of government. During the postwar years it has risen continuously relatively to other public services, and currently it equals approximately 16 per cent of all government revenue, or about double the share of 1946. A public function displaying such rapid growth and assuming such a prominent position in government budgets requires examination and analysis within the terms of reference of The Royal Commission on Taxation.

Expenditure on education takes a critically high proportion of provincial-municipal revenues. This affects directly and vitally the public finances of the provinces and municipalities. The federal government finances are also subject to strain as potential additions to federal revenues are reduced by increasing provincial-municipal levies, and as the federal government is requested to assist increasingly in financing education.

We realize that there is no magic formula which will provide a solution of the financial problem. Canadians display a keen desire to improve the educational system, to provide a variety of educational programs, and to extend the range of opportunities for all our youth. It is generally felt that all have a right to obtain the level of education which they are able and willing to achieve. Education is a door opening up opportunities for the individual, but it is also a pathway to economic growth and development. It is becoming realized generally that education is an important factor inducing national economic growth as well as enhancing individual potentials.

While people tend to desire a high level of education for their children, they also wish to keep the level of taxation as low as possible. Universal education can be provided only by Public Authorities and these authorities must have adequate taxing powers to meet this social want. We suggest that all levels of government need to co-operate in framing national educational objectives, and to devise appropriate

methods for financing the level of education which it is deemed that we can afford. This entails the use of a wide variety of administrative and consultative techniques and of various financial arrangements. With a growing national economy one problem is deciding how large a portion of the gross national product is to be devoted to education; within the institutional environment this question translates itself into decisions as to what levels of government and what modes of taxation should provide the required funds.

There is a close relationship between the educational system of a country and its economic and social development. The growth of expenditures and real resources which are devoted to education explain, at least in part, why the national income grows. At the same time, when output and income increase the demand for education also tends to rise, and this makes itself felt politically and socially. The kind of educational system evolved will be a product of the past economic, technical, social, and political changes in the structure of society. In the modern economy it has become essential to pay attention to the development of its human resources and skills. Failure to utilize these to capacity is a loss, not only to the individuals concerned, but also to the economy.

B. THE SCOPE OF EDUCATION.

The term "education" has a broad and not precisely defined meaning; it embraces many different activities. For our purposes we shall distinguish between "formal education" and "related cultural activities". The former is of central concern in the public financing of education, and we take it to include elementary and secondary education, teacher training, university and college education (usually called "higher education"), and many types of vocational training. Related cultural educational activities are adult education, instruction in the fine arts and handicrafts, the provision of public libraries, archives, museums, and art galleries, the efforts of various cultural societies, the making of documentary and other films and television programs. The list is not complete.

Here we are concerned primarily with formal education, particularly elementary and secondary.¹ At the same time school districts and boards, colleges, universities, and other

¹ For a survey of Canadian education, see D.B.S., Education Division, *A Graphic Presentation of Canadian Education*, Queen's Printer, Ottawa, September, 1961.

institutions offering formal education also engage in a variety of the related activities we have mentioned. For example, school districts are increasingly undertaking to provide adult education through night classes. Indeed adult education is changing from a related cultural activity to the category of formal education.

C. THE GROWTH OF EDUCATION.

Section 92 of the British North America Act sets forth those matters which are the responsibility of the provincial governments and included among them is education. Certain controls with respect to education are spelled out in Section 93. The British North America Act also sets forth what taxes may be imposed by each of the federal government and the provincial governments. Presumably it was the intention of the drafters of Confederation that the respective powers of taxation would be sufficient to allow the various classes of governments to raise sufficient revenues to permit them to discharge their respective responsibilities properly.

With the passage of time various developments have created fiscal imbalance between the federal and provincial governments. Since World War I the federal government has entered new fields of taxation, both direct and indirect. In the sphere of direct taxes, the only kind the provinces are constitutionally allowed to impose, the federal government has also imposed high rates with the result that the taxing power of the provinces has been curtailed seriously. Your Commission is well aware of the evolution of the federal tax structure, and it is not necessary for us to furnish detailed data in this field. Another factor creating fiscal imbalance is that a number of the responsibilities assigned to the provinces, including education and health, have expanded in scope, and hence in cost, far beyond what was originally contemplated, and simultaneously the increasing demands on the federal government to provide various social services have placed a great financial responsibilities upon it, making it necessary to compete with the provinces for revenues. The result is that the provinces (including their local governments) find it increasingly difficult, if not impossible to raise the revenues needed to meet this responsibility.

In the field of education the problem of intergovernmental division of responsibilities has grown rapidly since the turn of the century when total expenditure on education was about ten million dollars per year. By the time the Royal

Commission on Dominion-Provincial Relations began its work in 1937 the total expenditure on education had risen to \$140 million per year. That Commission affirmed "that the instruction of the young during their formative years is a matter which the provinces must continue to control."² In its financial proposals the Commission aimed at putting the provinces in a position to meet their responsibilities in education by a reallocation of several expenditure and revenue jurisdictions and by a system of adjustment grants.

Since 1940, when the Commission reported, federal-provincial fiscal relations have followed a tortuous course, and the broad recommendations were not implemented. In the meantime, as a resultant of a greatly increased birth rate and increasingly complex demands for educational services, the expenditure on education has increased at an accelerating rate. Between 1941 and 1951 expenditure on formal education in Canada increased from \$156 million to \$516 million in current dollars.³ In terms of constant dollars the rise for the decade was 83 per cent. This increase was taken in its stride because the Canadian economy expanded tremendously during this decade. The expenditure on education rose from 1.9 per cent of the G. N. P. to 2.4 per cent 1941-1951, a rather modest increase in terms of income.

The next decade saw an unprecedented rise. Between 1951 and 1961 expenditure on formal education increased from \$516 million to nearly \$1,800 million. In terms of constant dollars the increase was 150 per cent, a rate of almost 10 per cent per year. In terms of the G. N. P. education expenditure rose from 2.4 per cent to 4.9 per cent. This was an almost explosive rate of growth which led to many difficulties in administering, providing, and financing education. Expenditure on formal education is still increasing rapidly and in 1963 it is expected to exceed \$2,300 million, considerably above 5.0 per cent of the G. N. P. By 1971 we expect the ratio to be well above 6 per cent of the G. N. P. and by 1981 it is likely to exceed 7 per cent.

² Government of Canada, *Report of The Royal Commission on Dominion-Provincial Relations*, Ottawa, 1940, Book II, Section A, Chapter III, P. 50.

³ See Appendix A, Table A-1. This table sets out the expenditure on formal education 1926-1963 in current dollars and in relation to the gross national product.

II. SOME SOCIAL AND ECONOMIC ASPECTS OF EDUCATION

The indicated expenditure trends set out above would appear alarming if we regard them purely as burdens. But taxation is only one side of the shield; public expenditures yield benefits. The problem is one of the appropriate balance in the output of private and public goods as the economy grows and develops. The effects of education upon the economy and society are being studied intensively today.⁴ Education is even thought of as a factor of production. In any event we ought to know more about the effects of education upon the economy if we are to weigh rationally the outlays on education against other outlays. So far this process has not been carried far because education in relation to economic growth has not been the subject of much study over a long period and because appropriate data are lacking.

We can think of education as having effects upon both "consumption" and "production", where we define production as all items included as such in the national accounts, while consumption then embraces all aspects of life in society which are not deemed to be production.

There are several consumption aspects. Through education an individual accumulates a relatively durable consumption good which enhances his enjoyment of, for example, English literature, throughout life. It also provides a basis for further studies. This aspect becomes very important as leisure increases. Formal education also changes the prospective conditions of labor in production. Finally, going to school is a form of current consumption which is an alternative of other current consumption.

The production aspects are various. Education increases the effectiveness of labor in production. Since people generally live many decades the effects of early education persist for a long time; thus outlays on education are a long-term investment. Education not only increases the effectiveness of the educated but also that of those with whom they work in production. These external economics become increasingly

⁴ See particularly *Investment in Human Beings*, *The Journal of Political Economy*, Supplement, October, 1962, which contains eight articles on investment in education, health, and migration. These contain extensive references. A notable series is *O.E.C.D. Policy Conference on Economic Growth and Investment in Education*, five reports, Washington, D.C., 1962.

important with growing division of labor and more complex social organization. Specialized education in turn facilitates division of labor and rising effectiveness.

There are further effects upon production. Education probably hastens the process of learning on the job after schooling is completed. It hastens the spread of innovations, and since it leads to research the rate of technological progress is increased. Education also assists in facilitating movements within the labor force as people become more adaptable and skillful as a result of having obtained it.

We could cite more effects, not only upon output, but also upon human welfare generally. Benefits accrue to the students directly concerned in the long-run. Various studies have been made of this aspect. Thus it appears that, in general, the level of income received and the level of education achieved have a close relationship. Besides the ultimate financial benefits to the student there are the opportunities to pursue further studies if he has already obtained a certain level of education (e. g., senior matriculation); he can also choose more widely among job opportunities, between alternative programs for further schooling, and among alternative uses of his income, time, and leisure. He also tends to acquire the ability to adjust to changing job opportunities, and to benefit from on-the-job training. At the lowest level we can imagine the difference between being literate and illiterate in the basic sense of these terms, and try to picture what one's earning prospects and way of life would be if one had no ability to read and write and that achieved by acquiring at least an elementary level of education.⁵

Of all benefits accrued to the student we would not need to concern ourselves much with the public provision of education, provided individuals acted in their own best interests and if a loan system of financing were open to all. But there are external benefits which accrue to various individuals besides the student, and this has led to the setting up of publicly-supported educational system. One writer, Burton Weisbrod, divides persons receiving external benefits from a student's education into three groups. First, there are the "residence-related beneficiaries"; second, there are the

⁵ For a detailed discussion of benefits to the individual, with references to empirical studies, see Burton A. Weisbrod, "Education and Investment in Human Capital," *Journal of Political Economy*, Supplement, October, 1962, pp. 108-115.

“employment-related beneficiaries”; thirdly, there is society in general. ⁶

Among the residence-related beneficiaries are the current family of the student, his future family, neighbors, and taxpayers. With respect to the first, schools make it possible for mothers to do other things if their children are going to school. It has been estimated, on the assumption that about one-quarter of all mothers in the United States with children six to eleven years of age would not work except for the child-care services provided by the elementary schools, that their earnings amount to over \$2 billion, or about 0.4 per cent of the G.N.P. This is almost one-quarter of the total cost of elementary education, and it disregards the benefits to the great majority of mothers who do not choose to work.⁷ There are very few individual offsets in the situation, because at the elementary level of schooling the student has few alternative economic opportunities.

Beside the child-care services provided the immediate family, there are benefits to the future family of the student. His children benefit by an informal process at home from his education. No value estimates have been made of this aspect, but it is probably substantial. Neighbors are also benefitted; in the short-run, by the provision of schooling as an alternative to unsupervised activities which might have undesirable effects, and in the long-run, by the inculcation of social values and desirable behavior patterns through the process of schooling. Taxpayers benefit in terms of minimization of crime and unemployment, reducing enforcement and welfare costs. Migration of people with a low level of education to areas where most people have a high level of education may lead to a need in the latter area to provide additional education; it is in their interests to support education in the less wealthy areas. This is done on a widespread basis within the provinces of Canada, the states of the United States, and whole countries in Western Europe.

Employment-related benefits affect the productivity of others, so that workers have a financial interest in the education of fellow workers. Presumably the qualities acquired through education for use in the work environment are adaptability and flexibility. No satisfactory estimates of the values of these benefits have been made.

⁶ See *ibid.*, pp. 115-120.

⁷ *Ibid.*, p. 117.

The benefits to society in general are many. Literacy alone ensures a high degree of communication; this is required to maintain competition in markets, facilitate business transactions, and to make political democracy workable. Any developing and developed society requires a balanced labor force to keep the wheels of the economy turning. Through education at various levels, elementary, secondary, technical, and university, students are differentiated and oriented into many different kinds of jobs that have to be done. Planning for man-power requirements is an intricate process which has begun in some countries, because the market mechanism has certain leads and lags which produce too many or too few engineers, lawyers, administrators, workers of specific skills, and so on, from time to time, as demand conditions and technology change.

We could expand on these points at great length. What is indicated is that much research is required to assess the benefits of education in terms of economic values. For the United States, it has been estimated by Edward Denison that from 1929 to 1957 the amount of education received by the average worker increased by nearly two per cent per year, and that this raised the average quality of labor by almost one per cent per year. Thus education accounted for 23 per cent of the growth of total national income in real terms and 42 per cent of the increase in the real income per person.⁸

No comparable study has been made for Canada, but we can make a rough computation for the sake of illustration. Let us assume that education accounted for 20 per cent or one-fifth (as against the American 23 per cent) of the growth of the real national income 1926-1961. The G.N.P. in real terms increased from \$7.6 billion to \$26.1 billion during this period, as measured by constant 1949 dollars. This is an increase of \$18.5 billion, out of which we take the return from education to be \$3.7 billion. During the period 1926-1960 the total cumulative expenditure on formal education in terms of constant 1949 dollars amounted to \$13.8 billion. On the basis of these data, and without entering into compound interest complications, a crude way of putting it is that the national return from the expenditure on education is over 25 per cent. If we were to deduct a value for the consump-

⁸ Edward F. Denison, "Education, Economic Growth, and Gaps in Information," *Journal of Political Economy*, Supplement, October, 1962, p. 126.

tion effect of education, the rate of return would be even higher.⁹

The rate of return on investment on education will tend to fall as substantial additional investments are made, as in the case of other types of investments. But the whole exercise points up the need for careful study of the economic effects of education expenditure, as well as of other kinds of government expenditure. It is very one-sided to look at only the taxation effects, or even at the taxation and expenditure effects of government in relation to investment in physical facilities.

We urge that your Commission recommend that research be undertaken, not only to study the economic effects of education, but also the effects of other government expenditures. If sufficient information were obtained we could proceed farther along the road to a balanced economy.

III. EXPENDITURE REQUIREMENTS FOR EDUCATION IN CANADA

A. INTRODUCTORY.

Forecasting of any kind is fraught with uncertainty and difficulties. The projection of expenditures on education is particularly hazardous in the light of the dynamic growth of the education sector during the last decade. Nevertheless fairly long-range forecasting is a very useful exercise which improves the vision and broadens perspectives. Yearly pre-

⁹ Cf. The following quotation: "It has already been shown that education can be regarded as an investment that accelerates economic growth, as well as raising standards of living both in the present and in the future, quite apart from its roundabout effects on production. . . This dual role of education has important effects in deciding the amount of investment to be allocated to education and in making the choice between investment in education and investment in material capital equipment. If we want to compare the profitability of education with that of real capital, we must deduct its consumption value from the investment cost. If \$10 million invested in education yields the same return as the same amount spent on real capital, investment in education pays better according to the value we attribute to its direct consumption effects. If we prefer education to the corresponding value of other types of consumption, it actually represents an investment in production that we get gratis." See O.E.C.D., *Policy Conference in Economic Growth and Investment in Education*, II. *Targets for Education in Europe in 1970*, published by the O.E.C.D. in 1962, pp. 27-28.

dictions cover too short a period to provide appropriate assessments of trends and fundamental determinants. On the other hand, very long-range forecasts can be made only with much apprehension because technological and structural changes invalidate projections in time. A realistic period which permits sound appraisals of trends and provides useful policy guidance is probably from four to seven years, and at the most a decade. Here we have made projections up to the census year 1971; we have gone beyond this another ten years to 1981 to get a glimpse of the more distant future.

To this end we have made projections of population and national income and output to provide a framework for the projection of expenditures on education. We have not made detailed estimates of all government revenues and expenditures because we know that the members of your Commission have a thorough knowledge of the revenue-expenditure structure and that you have a technical staff which is engaged in analyzing that structure. Nevertheless a few observations are made in this area. We have concentrated on education expenditure projections for the ten provinces with the hope that these may be of assistance to you.

B. PROJECTIONS OF POPULATION, PERSONAL INCOME, AND GROSS NATIONAL PRODUCT.

Since provincial governments have primary responsibility for education, it was deemed necessary to make population and income projections for each province separately so that educational responsibility and effort can be appraised in relation to the means available. The national projections for Canada are therefore in the nature of summations of the results of detailed estimates for the ten provinces and the territories.

Three projections of population, high, medium, and low were made. The data are set out in several Tables in Appendix B. Under the high projection the population would increase by about 31 per cent per decade 1961-1981. The medium rate of increase is about 26 per cent per decade, and the low rate somewhat above 20 per cent. Under the medium projection, used throughout the rest of this submission in projecting data, the population of Canada could increase from 18.2 million in 1961 to 22.9 million in 1971, and to 28.9 million in 1981.¹⁰ The provincial rates of increase per decade vary greatly since

¹⁰ Appendix B, Table B-3.

they have been projected on the basis of the experience of each province. The details are shown in Appendix B, Table B-3.

Data on personal income furnish the main measure of the economic resources of each province; estimates of gross provincial products are not available, nor are estimates of wealth and other criteria as satisfactory as personal income for our purposes. It is assumed that the Canadian economy will continue to grow and that it will become increasingly affluent. Projections were made for each province for all three population estimates for 1971 and 1981. These are set out in Appendix C, Table C-5. Under the high projection total personal income in Canada in terms of constant dollars would rise by about 55 per cent per decade 1961-1981, or by 4.5 per cent per year. The medium projection would produce an increase of about 48 per cent per decade for the same period, or 4.0 per cent per year, and the low would yield a rise of about 42 per cent per decade, or 3.5 per cent per year. In arriving at the Canadian totals the estimates for the provinces were added. Different rates of increases are applied for the provinces.

Estimates of the gross national product of Canada were made at the same rates as those for the overall personal income of the nation. They are shown in Appendix C, Table C-6. Under the high projection the gross national product would increase from \$34.5 billion constant 1957 dollars to \$53.5 billion 1961-1971 and to \$83.5 billion by 1981. The medium estimate would result in a gross national product of \$51.1 billion in 1971 and \$76.1 billion in 1981, while the low estimate would yield figures of \$49.0 billion and \$70.1 billion, respectively. On the basis of these projections there is considerable scope for the expansion of expenditure on education, particularly when it is kept in mind that the ability to finance government services rises progressively as incomes increase.

C. PROJECTIONS OF EXPENDITURE ON EDUCATION.

In making projections of expenditure on education we have examined elementary and secondary education in much detail. There is much information available about this part of the educational system. Historically it has constituted the core of the system. Until very recent years it accounted for five-sixths and more of total expenditure on formal education in Canada. In 1956 expenditure on elementary and secondary education equalled 84 per cent of the total on formal education. The ratio has fallen since then, and currently it is about 75

per cent as higher education and vocational training expenditures have expanded rapidly. Appendix A sets out data on all types of formal education, while Appendix D contains data on the finances of public school boards.

1. Public Elementary and Secondary Education.

The pupil enrolment in public elementary and secondary schools increased from 2,154,000 in 1941 to 2,568,000 in 1951, a fairly modest rise of 19 per cent for the decade. By 1961 the total enrolment was 4,189,000, a sharp increase of 63 per cent for the decade. This was attributable to the rise in birth rates during the 1940's. Birth rates reached a plateau in the 1950's and currently they are falling somewhat. We expect, under the medium population projection, that by 1971 there will be about 5,420,000 pupils enrolled, an increase of 29 per cent over 1961, and by 1981 there will be over 6,800,000 pupils, a rise of 25 per cent over 1971.¹¹ Public school enrolment thus experienced a bulge during the 1950's which will not be encountered again, unless the birth rate increases sharply.

The number of teachers increased from about 78,000 to 97,000 between 1941 and 1951, an increase of 24 per cent. Between 1951 and 1961 the total rose to almost 161,000, an increase of 66 per cent for the decade. Projections have been made for the provinces on the basis of pupil-teacher ratio assumptions.¹² Under the medium projection the number of teachers in Canada would rise by 33 per cent 1961-1971, and by 32 per cent 1971-1981, reaching a total of nearly 286,000 in 1981.

Expenditures on teachers' salaries were projected to provide the basis for forecasting total school board expenditures in the provinces for 1971 and 1981.¹³ Such salaries constituted from 50 per cent of total school board expenditures from current revenue in Quebec to 64 per cent in Prince Edward Island in 1961.¹⁴ For Canada as a whole they equalled 56 per cent of current expenditure. The other components of expenditure are non-teaching operating costs debt-charges, and capital expenditure.

The details are shown in Appendix D, Tables D-5 to D-9. Between 1941 and 1951 total school board expenditure out of

¹¹ See Appendix D, Tables D-1 and D-2.

¹² See Appendix D, Tables D-3 and D-4.

¹³ For projections of total school board expenditure in each province, see Appendix D, Table D-5. Detailed data on school board expenditures are shown in Tables D-6, D-7, D-8, and D-9.

¹⁴ See Appendix D, Table D-15.

current revenue increased from \$123 million to \$357 million; by 1961 it was \$1,176 million.¹⁵ In terms of personal income the total expenditure was 2.1 per cent in 1941, 2.3 per cent in 1951, and 4.2 per cent in 1961, reflecting the rapid rise in costs during the last decade.¹⁶ Our medium projection anticipates an increase of 63 per cent for 1961-1971 and of 58 per cent for 1971-1981 in terms of constant dollars. The details are set out in Appendix D, Tables D-16 and D-17.

By reference to personal income the total current expenditure is expected to equal 4.5 per cent of personal income in 1971 and 4.8 per cent in 1981. In relation to income, then, the increase is more modest than in terms of dollars. The Atlantic provinces will continue to have personal income ratios exceeding the national average; so will the three prairie provinces. Table D-18 in Appendix D provides data for all the provinces.

There are great disparities in the expenditure per pupil in the different provinces. In 1961 the Newfoundland expenditure per pupil was 50 per cent below the national average. Although Newfoundland expenditure is expected to rise substantially, in 1981, it will still fall short of the 1961 national average by 49 per cent, unless special grants to this province make it possible to raise the standard. The Prince Edward Island level was 43 per cent below the national in 1961, the Nova Scotia level was 30 per cent below, the New Brunswick level was 33 per cent below, and the Quebec level was 13 per cent below. In the other provinces Alberta had a level 33 per cent above the national average, followed by British Columbia at 28 per cent above, Saskatchewan at 14 per cent above, Ontario at 7 per cent above, and Manitoba at 2 per cent below. For various reasons expenditure levels are the highest in Canada in the western provinces.¹⁷

It appears that the five eastern provinces require considerable increases in funds in order to achieve the national average standard; the four Atlantic provinces would be subject to much fiscal strain if they attempted to reach a level of about 10 or even 20 per cent below the national average. These are the four provinces, along with perhaps Saskatchewan, that require special assistance. The other provinces, given the appropriate fiscal measures, can be expected to finance elementary and secondary education, provided that there is substantial federal assistance for higher education

¹⁵ See Appendix D, Table D-5.

¹⁶ See Appendix D, Table D-18.

¹⁷ See Appendix D, Table D-19, for details.

and vocational training.

Table I sets out the projected expenditure requirements for formal education. Public elementary and secondary education expenditure is expected to increase from over 1.3 billion in constant 1957 dollars in 1961 to \$2.0 billion in 1971 and to about \$3.2 billion in 1981. In relation to the gross national product the rise is from 3.57 per cent to 4.16 per cent 1961-1981, an increase of 0.59 percentage points. This is a substantial, but not an alarming increase. In relation to total expenditure on formal education a decline in public school board expenditure from 74 per cent of the total in 1961 to 60 per cent in 1971 and to 58 per cent is expected as other kinds of education expand relatively.

2. Private Elementary and Secondary Education.

Expenditure on private elementary and secondary education increased from \$19 million in 1954 to an estimated \$65 million for 1963. It has equalled about 4 per cent of the public expenditure. It is assumed that private expenditure will rise to about 4½ per cent of the public by 1971 and beyond because of the increasing number of persons who can afford to send their children to private schools. By 1971 it is expected that the expenditure will be \$90 million in constant 1957 dollars; by 1981 it may reach \$150 million.

3. Teacher Training Outside the Universities.

Expenditure on teacher training outside the universities is concentrated mainly in the provinces of Quebec and Ontario.¹⁸ In the past this has run at about 1½ per cent of the total expenditure on elementary and secondary education. In the future the ratio is likely to approach 2 per cent as the training of teachers becomes more specialized and variegated. The medium projection for 1971 is \$35 million constant 1957 dollars, and for 1981 it is \$60 million.

4. Higher Education.

Everyone is now aware of the rapidly increasing enrolments in universities and colleges, and there are various predictions, none of which can be accepted as precise because of the many factors affecting university and college attendance. First, the number of persons of university age is rising at a high rate; second, an increasing proportion of this age group is going to universities and colleges. It is becoming increasingly necessary for young people to take higher education in order to qualify for the top and middle rank positions in

¹⁸ For details, see Appendix A, Table A-10.

society. Rising incomes will reduce the financial deterrent to going to university. The number of students engaging in graduate studies is increasing at an even greater rate than the undergraduate enrolment. Graduate education is very expensive to provide, and the costs of universities are rising at a very high rate as a consequence.

Between 1941 and 1951 the number of persons in Canada aged 17 to 24 years inclusive, increased by only 2 per cent, and aside from the bulge of student veterans during the immediate postwar years, university enrolment reflected this fact. Enrolment declined during the early 1950's, and then began to increase at an accelerating rate. During recent years universities have become hectic, overcrowded places, and despite the continuous construction of buildings there is never enough space.

Between 1951 and 1961 the number of persons aged 17 to 24 years increased by 14 per cent. For the decade 1961-1971 this group may increase by 55 per cent,¹⁹ and the universities will be submerged unless the rate of construction of buildings and acquisition of staff is speeded up even more than during the past few years. This means that very large expenditures are required. On the basis of present trends the situation will be eased during the 1970's when the group aged 17 to 24 years may rise by only 20 per cent.

A recent projection of student numbers indicates that in the ten-year period from 1960-1961 to 1970-1971 the enrolment might be expected to triple.²⁰ This appears to be an acceptable estimate. Total expenditure on higher education would, in this event, more than triple from 1961 to 1971 because costs will increase more rapidly than student numbers. Qualified staff is scarce, and the universities and colleges are competing intensely for staff. The expansion of graduate work, with its intensive individual type of instruction, will drive up costs greatly.

Expenditure on higher education increased from \$95 million to \$302 million 1954 to 1961, including both operating and capital expenditure.²¹ Currently the total is approaching \$450 million per year. A recent estimate forecasts an operating

¹⁹ See Appendix B, Table B-5.

²⁰ Edward F. Sheffield, *Enrolment in Canadian Universities and Colleges to 1970-1971 (1961 Projection)*, Ottawa, Canadian Universities Foundation, 1961.

²¹ See Appendix A, Table A-2.

expenditure of \$650 million (1960 dollars) in 1970.²²

We can only assign round numbers in estimating future expenditures in such a dynamic sector as higher education. The total requirement, for operating and capital is likely to be about \$900 million in constant 1957 dollars in 1971, more than three times the total for 1961. For 1981 the total may be in the neighborhood of \$1.5 billion. Table I sets out the figures. It will be imperative for the federal government to make additional funds available for higher education in the future.

5. Vocational Training.

Another sector in which swift change and rapid growth are the order of the day is vocational training for a wide variety of occupations. The age group concerned coincides roughly with that for university attendance so that very large increases in enrolment can be expected in the 1960's. Many young people, too, are having difficulty in obtaining employment because of lack of training.

Vocational training has been provided by public school boards for many years, and they are expanding their facilities for this purpose at a high rate. The federal and provincial governments have also been providing vocational training. Recently the federal government has begun a crash program in co-operation with the provinces to provide complex training facilities throughout the country.

Expenditure on vocational training by public school boards is included in their expenditure on secondary education, and it cannot be segregated readily. In an estimate for Ontario, however, it appears that school boards in that province had a current expenditure exceeding \$34 million on vocational training in 1961 as against about \$16 million in 1955.²³ This implies that the total expenditure for all Canada may have been close to \$100 million in 1961, and that it doubled 1955-1961.

Expenditure data on vocational training by the federal and provincial governments are set out in Tables A-2 and A-6 in Appendix A. A projection of federal-provincial expenditure is provided in Table I; the school board expenditure is included in elementary and secondary education. The federal-provincial total increased from \$24 million to \$78 million 1954-

²² William J. McCordie, *Financing Education in Canada*, Canadian Conference in Education, Ottawa, 1961, p. 53.

²³ From a schedule in a letter from P. M. Muir, Executive Director, The Ontario School Trustees' Council, July 16, 1963.

1961, and for 1963 it is estimated at \$112 million. It is likely that this expenditure will reach \$300 million in constant 1957 dollars in 1971, and \$600 million by 1981. Separate projections for school boards would probably point to about \$250 million in 1971 and about \$400 million in 1981. These figures, however, are included in the projections for elementary and secondary education. Vocational training again is a sector in which we urge the federal government to provide increasing assistance to the provinces and school boards so that the latter can discharge their constitutional responsibilities with respect to elementary and secondary education.

6. Total Expenditure on Formal Education.

Table I provides a summary of the medium projections of expenditure on formal education in Canada for 1971 and 1981. The most notable aspect is the marked expansion of higher education and vocational training. Total expenditure on education is expected to rise from about 4.8 per cent of the gross national product in 1961 to 6.5 per cent in 1971 and 7.2 per cent in 1981. These ratios may appear to be high; nevertheless the demand for all types of education is growing and the number of students great. Estimates made in the past have been consistently low. A recent study by the O.E.C.D. indicates an expenditure on formal education of 4.87 per cent of the gross national product in Canada for 1970.²⁴ This ratio was reached in 1961.²⁵

Much research is needed to determinate the effects of education upon the development of the economy, from the point of view of consumption and production. Education, however, is interwoven with the development of society in such a complicated way that such research is no easy task. There is also scope for much analysis of the problem of the optimum allocation of resources among education, consumption, and conventional investment. Further, there is the problem of the structural adjustment of the economy to the supply of labor with different degrees of training as determined by the educational system. Attempts should be made to coordinate economic and educational policies to make the best use possible of resources.

²⁴ O. E. C. D., *op. cit.*, p. 93.

²⁵ See Appendix A, Table A 1.

TABLE I
TOTAL EXPENDITURE REQUIREMENTS FOR
FORMAL EDUCATION
CANADA
1961 AND MEDIUM PROJECTIONS 1971 AND 1981
IN MILLIONS OF CONSTANT (1957) DOLLARS

Category	1961	1971	1981
(A)	(B)	(B)	(B)
A. Elementary and Secondary Education:			
1. Public	1,232	2,010	3,170
2. Private	50	90	150
3. Total	1,282	2,100	3,320
B. Teacher Training Outside Universities:	19	35	60
C. Higher Education:	278	900	1,500
D. Vocational Training:	72	300	600
E. Total Expenditure:	1,651	3,335	5,480

AS PER CENT OF G.N.P.

A. Elementary and Secondary Education:			
1. Public	3.57	3.93	4.16
2. Private	0.14	0.18	0.20
3. Total	3.71	4.11	4.36
B. Teacher Training Outside Universities:	0.06	0.07	0.08
C. Higher Education:	0.80	1.78	1.97
D. Vocational Training:	0.21	0.59	0.78
E. Total Expenditure (C)	4.78	6.53	7.20

- (A) From data in Appendix A, Table A-2, deflated by the implicit price index for government expenditure on goods and services.
- (B) From projections in Appendix D, Table D-16, public elementary and secondary education. Projections for G.N.P. are set out in Appendix C, Table C-6.
- (C) The items do not necessarily add up exactly to the totals because of rounding off of decimals.

IV. FINANCING EDUCATION EXPENDITURE REQUIREMENTS

Historically the provincial and local governments in Canada have provided five-sixths or more of the funds required for formal education. The local governments alone, with their emphasis upon the property tax as the chief source of revenue, have contributed over one-half. It became clear during the 1950's when enrolments in elementary and secondary schools increased rapidly and costs of operation and construction rose substantially that local government sources of revenue were not elastic enough to provide sufficient funds for education. Consequently the provincial governments, which have more elastic and varied revenue structure than the local, have provided rapidly increasing amounts for the operation of schools. The dynamic growth of the universities since 1954 has put further pressure on provincial treasuries. In recent years the federal contribution has increased significantly, chiefly to provide for higher education and vocational training. Other sources of revenue, from private sources, have also expanded.

A. LOCAL GOVERNMENTS.

Between 1954 and 1961 the local government contribution increased from \$335 million to \$676 million, but declined from 47 per cent of total education requirements to 38 per cent. The local tax burden for education increased from 1.35 per cent of the gross national product to 1.83 per cent.²⁶ For the current year the local contribution is about \$750 million and a little less than one-third of the total expenditure requirements.

In the light of the widespread benefits and external economies of education the local governments have carried an unduly high proportion of the total cost of education in the past, particularly for secondary education. It is our view that the property tax does not have enough potential to maintain the local contribution at more than about 30 per cent of the total requirements for education. Local taxation for school purposes is currently approaching 2.0 per cent of the gross national product, and in view of all the other demands upon local

²⁶ See Appendix A, Tables A-3, A-8, and A-9.

governments, this appears to us a limit. This implies that local governments would be contributing about 30 per cent of total requirements and about 50 per cent of the cost of public elementary and secondary education in 1971. By 1981 the local contribution would fall to 26 per cent of total requirements and 48 per cent of the requirements for public elementary and secondary education, if we apply the fraction of 2.0 per cent of the gross national product to the data in Table I.

In terms of the total own revenue raised by the local governments, education absorbed about 35 per cent of such local funds during the 1950's.²⁷ In recent years this fraction has been rising, and it is approaching 40 per cent, again a kind of limit because of all the other growing demands upon local governments. We feel that a fraction of 35 per cent of local government revenue is the reasonable limit. If the local governments are to make larger contributions relatively they will require additional sources of revenue, a difficult matter, since the provincial governments are increasingly hard-pressed. The proportions we have set out, equivalent to about two per cent of the gross national product, appear to be realistic.

The suggested ratio is, of course, subject to the actions of provincial governments, and their ability to contribute to education.²⁸ This is in turn affected by federal policies in their fiscal relations with the provinces. There are also differences in the fiscal abilities of the different provinces which is a matter of national concern.

B. PROVINCIAL GOVERNMENTS.

The provincial contribution to education increased almost threefold 1954-1961 from \$276 million to \$765 million.²⁹ For the current year the provincial expenditure is estimated at about \$1,100 million. The provincial governments provided 39 per cent of total requirements for education in 1954; by 1961 this had risen to 43 per cent,³⁰ and currently it is reaching 48 per cent. In terms of the gross national product the share increased from 1.11 per cent to 2.07 per cent 1954-1961, and currently it is about 2½ per cent. By reference to the total

²⁷ See Appendix A, Table A-9.

²⁸ For data on school board revenues, see Appendix D, Tables D-11, D-12, D-13, and D-14.

²⁹ See Appendix A, Table A-3.

³⁰ See Appendix A, Table A-8.

own revenue of the provincial governments, their spending on education increased from 22 per cent to 30 per cent of their own revenue 1954-1961, and currently it is getting beyond one-third.³¹ This is a severe strain imposed on provincial government budgets by one function.

The reasons for the great expansion of provincial expenditure in recent years are that outlays on all types of formal education have increased greatly in recent years.³² The accelerating tempo of expenditures on higher education and vocational training is putting a burden on provincial government finances which is becoming impossible to bear without the provisions of additional sources of revenue.

It appears to us that the provincial total contribution cannot exceed $2\frac{1}{2}$ per cent of the gross national product, unless additional revenue sources are made available through fiscal arrangements with the federal government. On this basis the provincial governments would contribute nearly 40 per cent of total requirements for formal education in 1971, and about one-third in 1981, according to our projections in Table I.

C. THE FEDERAL GOVERNMENT.

Before the postwar period the main federal contributions to formal education were for the education of Indians and Eskimos and some small grants to the provinces for vocational training. During the postwar period the federal government began to contribute to higher education under a scheme to assist war veterans, and per capita grants to the universities were introduced in the 1950's. In recent years it has become heavily involved in a national vocational training program.

In 1954 the federal contribution was about 5 per cent of the total expenditure on formal education; this was less than one per cent of the total federal revenue, and only 0.16 per cent of the gross national product.³³ The contribution consisted of \$18 million for elementary and secondary education (chiefly Indians, Eskimos, and children of military personnel), \$16 million for higher education, and \$5 million for vocational training, making the total \$39 million.³⁴ By 1961 the expenditure on elementary and secondary education had

³¹ See Appendix A, Table A-9.

³² See Appendix A, Tables A-3, A-4, A-5, and A-6 for data on provincial contributions to the various kinds of formal education.

³³ See Appendix A, Tables A-8 and A-9.

³⁴ See Appendix A, Tables A-3, A-4, A-5, and A-6.

risen to \$67 million,³⁵ that on higher education was \$48 million, and that on vocational \$27 million, for a total of \$143 million. This was about 8 per cent of total expenditure on formal education, and two per cent of total federal revenue. In terms of the gross national product the contribution was 0.39 per cent. The federal expenditure on formal education is currently less than ½ per cent of the gross national product.

This contribution needs to grow substantially in the decade ahead if higher education and vocational training are to be financed in keeping with the projections in Table I. There is no other agency that can close the gap as readily, although we realize that it imposes a strain on the federal treasury. But the federal government has greater taxing powers than the other levels of governments, and higher and vocational education are of national importance whose benefits are distributed widely.

If we assume that in 1971 the local governments contribute 2.0 per cent of the gross national product, the provincial 2.5 per cent, and other sources 0.6 per cent, the residual federal share would be 1.4 per cent, for a total of 6.5 per cent. Given the same proportions for the first three in 1981, the federal contribution would have to be 2.1 per cent to attain the 7.2 per cent level set out in Table I. In short, we submit that the federal government assume major responsibility for higher and vocational education; this would enable the provinces to meet their constitutional responsibilities with respect to elementary and secondary education and to participate in substantial degree to higher and vocational education.

There are also other areas of education which are developing. These include adult education, the provision of libraries, and a number of other related cultural activities. Local governments undertake to provide libraries, and many school boards furnish facilities for adult education. Table A-7 in Appendix A provides a summary of expenditures on these activities for the year 1958. It should be noted that school board expenditure on adult education is included under elementary and secondary education and cannot be separated out. Among these activities, we suggest that there is scope for federal action without constitutional difficulties.

Finally, we would urge the senior governments and universities to devise means whereby private contributions to higher education, and even vocational education, be increased.

³⁵ Some of this was for vocational training provided in secondary schools.

We have suggested loan or bursary schemes with repayments amortized over long periods of time. University and vocational education fees might then be increased so that a larger part of the cost would be covered from private sources. This would be in keeping with the increasing remuneration experienced by individuals taking additional education and training.

V. FINANCIAL ABILITY OF THE FEDERAL GOVERNMENT AS COMPARED WITH THAT OF THE PROVINCIAL GOVERNMENTS.

Detailed estimates of the different kinds of expenditures of the three levels of government are not set out here since this would be a lengthy exercise. What we would predict is, that if there are no major reallocations of functions among levels of government, it appears that the provincial and local sectors will grow more rapidly than the federal. This follows from the nature of the services and functions which these levels of government will have to perform. Education is one of these services. All this implies that we believe that many functions can be performed more efficiently and effectively by the provincial-local governments than by the federal. To make this work, however, there will have to be an appropriate system of inter-governmental transfers.

On the revenue side it is difficult to make predictions without assumptions as to federal-provincial and provincial-municipal fiscal arrangements. In any event the expansion of the gross national product will yield rising revenues without rate increases. If expenditures increase more rapidly than the gross national product, and this is likely, especially in the sphere of education, rate increases will become necessary and even new taxes may have to be imposed by all levels of government.

The federal government is stronger fiscally than the provincial-municipal governments. It has a more elastic and comprehensive revenue system than the latter; relative to its revenue system its own functions can be financed readily. This can be seen if we examine federal revenues and expenditures since the end of the war, from the data in the national accounts. Excluding transfers to the other levels of government, the federal government had substantial surpluses 1947-1962. These surpluses exceeded 6 per cent of the G.N.P. in the three years 1947, 1948 and 1951. They have exceeded 2 per cent of the G.N.P. during 11 years of the period in question.

There was one deficit, a small one of -0.3 per cent in 1958.

After transfers to the provinces and municipalities there were nine surpluses and seven deficits, most of the latter occurring in recent years. The details are shown in Appendix E, Table E-1.

During the same period the provincial governments have had, excluding intergovernmental transfers, small surpluses or deficits. The situation has been one of tight balance, with no leeway as in the case of the federal government. After transfers the provincial governments have usually had surpluses of 1/10 to ½ per cent of the G.N.P. The details are set out in Appendix E, Table E-2.

The municipal governments have had persistent and large deficits throughout the whole period 1947-1962. These deficits have ranged from 1.0 per cent (1947) to 3.6 per cent (1962) of the G.N.P. Even after transfers received from the other levels of government the municipal governments have had substantial deficits in every year since 1947. The details are set out in Appendix E, Table E-3.

VI. CONCLUSIONS

Generally speaking, the productivity of education is greater if one measures it in terms of the increase in output of the whole economy than by reference to the earnings of the educated person. This factor induces society to pay a large part of the costs of education, and the expenditure by governments should be sufficient to encourage individuals to increase the length of their formal education to the point where the cost equals the social benefits or external economies. In the old rural type of society government was simple and direct, and not much of it was needed; similarly, relatively little education was required, and it did not affect adjoining communities significantly. Hence the cost of providing education could be left to the local governments.

In the modern, industrialized, urbanized society which we have evolved — and C. P. Snow has said that industrialization is the only hope of the common man — government becomes large and complex. So does education. With the high degree of division of labor and mobility of the labor force which characterizes our society there is a continuous pressure to have education expenditures covered to an increasing extent by the national government. What is required in a federation like Canada is much division of labor among the three levels of government in providing and financing different kinds of

education.

We suggest that the local governments be primarily responsible financially for elementary education, assisted wherever required by the provincial governments. The latter now have the overall responsibility for both elementary and secondary education, and with appropriate measures which are set out at a subsequent point, they can be left with this responsibility.

The federal government could assume much of the responsibility for vocational and higher education, in cooperation with the provinces. In financing vocational and higher education more could be done to make individuals pay than we do now. A suitable system of student loans or bursaries could be worked out in such a way that no individual with the required capacity would be unable to borrow funds for investing in his own education. The repayments would have to be stretched over a long period of time, perhaps over most of the working life of the individual as in the case of house mortgages. Such a scheme would be superior to the usual scholarship systems which are limited to the relatively few outstanding students and are largely financed from public funds. The loan scheme could be available to all students who could meet entrance and passing requirements and would provide substantial private sources of funds as repayments were made.

It will be necessary to utilize every source of public revenue and to devise ways of private financing since the requirements for meeting education expenditures continue to grow substantially in Canada. We cannot rely solely upon one or two tax sources, such as property taxes, in our thinking about the financing of education.

VII. RECOMMENDATIONS

A. READJUSTMENT OF FEDERAL PROVINCIAL TAXING POWERS.

The only solution which will ultimately provide a satisfactory answer to the problem of fiscal imbalance between the federal and provincial-municipal governments is the revision or replacement of the B.N.A. Act so as to redistribute responsibilities between the federal and provincial governments and/or a redistribution of the taxing powers between the said governments in keeping with their respective responsibilities and made in such a way as to put an end to all overlapping

of tax powers.

As a measure of temporary solution this Association urges the Commission to recommend to the federal government that the Income Tax Act be amended:

- (a) to provide an overall reduction in income tax rates, thereby allowing provincial governments the opportunity to increase correspondingly their income tax rates; or
- (b) to provide that higher rates of provincial income tax than those now specified be deductible.

It is further suggested that the requisite rate of reduction in income tax rates or the increase in deductions for provincial income taxes be gauged and determined in respect to specific areas of provincial revenue needs. For example, this study of educational finance indicates that it is within the present capabilities of the provinces to finance the future costs of elementary and secondary education provided it is made possible for them to raise sufficient additional revenue, through some withdrawal of the federal government from the fields of direct taxation, to help meet the costs of higher forms of education. Alternatively, the federal government must, as our study suggests, contribute much more heavily in the future than in the past toward the cost of higher and vocational education.

B. AUGMENTATION OF FEDERAL GRANTS TO CERTAIN PROVINCES.

The financial ability of the respective provinces to meet their responsibilities varies greatly. This is particularly so in respect to education. This Association unequivocally endorses the principle whereby special financial assistance be made available to the "have-not" provinces, in proportion to their needs, to allow them to meet their responsibilities adequately in respect to the field of education. The principle of special grants to the Atlantic provinces has now been accepted in the Canadian federation; this principle can be applied to other provinces if special need can be demonstrated. To meet the educational requirements of the Atlantic provinces, further assistance will be required.

C. TAX EXEMPTIONS TO SCHOOL AUTHORITIES.

School trustees and other entities responsible for public education derive their entire revenues from provincial sources. They are not, in any sense of the expression, profit-making

groups. This Association takes the strongest exception to all federal legislation which imposes taxation directly or indirectly on any subordinate provincial level of government because:

- (a) it is contrary to good practice to impose taxation on a governmental group which must in turn impose taxation to raise the revenues required to pay such taxes; and
- (b) such federal levies siphon provincially-raised tax monies out of the provincial field, thereby compounding the difficulties of such financially hard-pressed groups.

Examples of this kind of legislation are the various excise taxes, sales taxes, and direct levies under acts which are not ordinarily regarded as taxation measures. It is estimated that the imposition of an 11 per cent sales tax on building materials, from which school districts have now been exempted as a result of protests made by this Association amongst others, would have increased the cost of all school buildings and repairs by at least 5 per cent. The report of the Gill Commission on unemployment insurance has recommended that all school teachers be compulsorily covered under the terms of the Unemployment Insurance Act. If this recommendation is put into effect it will cost school boards, and hence local taxpayers, an average amount of \$50 per teacher per year plus whatever increased salaries the districts will be obliged to grant to teachers to offset the contributions payable by the teachers. The total could amount to about \$15 million in additional costs to Canadian school boards.

In conclusion, this Association most strongly urges this Commission to recommend to the federal government that municipalities and school boards be relieved of any and all tax liabilities under all federal legislation.

D. ADDITIONAL TAXING POWERS TO SCHOOL AUTHORITIES.

We acknowledge that, even with its drawbacks, there is no obvious or readily available substitute for the tax on real estate for educational purposes. School boards at present are wholly dependent for their revenues on income from real estate taxes and various grants from the provincial government in whose territory they are located. In many parts of Canada the level of taxes on real estate has reached the saturation point, and in some cases has surpassed it, so that school trustees are entirely dependent on grants from the

provincial governments for any increased revenues they require. It is not within the scope of your Commission to recommend on the various methods of providing provincial grants or how to adjust real estate taxes on a provincial basis. We submit however further areas of taxation should be made available. Income taxes, sales taxes, and certain other forms of taxes produce increased yields as the general level of income rises. In the case of real property taxes, there is less elasticity, as there are lags in assessed values, and many owners may not experience increases in property values. This Association therefore strongly urges the Commission to recommend to the federal government that the Federal Income Tax Act be amended for the purpose of providing increased real estate tax productivity by permitting individuals to deduct from their taxable income the amount of all real estate taxes and the amount of all interest paid on mortgages or hypothecs, pertaining in either case to the dwelling occupied by the taxpayer.

E EDUCATIONAL CAPITAL COST ALLOWANCE.

Debt, in the form of loans of money incurred by individuals the proceeds of which are used to acquire any form of 'higher education', should be regarded as a capital asset and subject to annual depreciation. This Association recommends that consideration be given to amending the Income Tax Act to permit individuals to deduct each year from their taxable income (a) the interest paid in such year on any educational loan, and (b) any repayment of the principal of such a loan not exceeding a certain per cent of the said individual's net income.

F. EDUCATIONAL RESEARCH.

School trustees have always been concerned with securing educational economy i.e. the optimum output for the tax dollars spent. Continued local autonomy will ensure that elementary and secondary education will be most efficiently and economically provided.

It is clear that many matters pertaining to education require to be studied. These include the various benefits and costs of education, manpower requirements, new methods of financing, and the optimum level of expenditure. Therefore we urge the Commission to recommend to the federal government that additional funds be provided for research into these questions.

APPENDICES

A. EXPENDITURE ON FORMAL EDUCATION IN CANADA.

(See Tables A-1 to A-11).

This Appendix sets out basic information on education outlays in Canada. There are still various gaps in statistical data for the period preceding 1954. Estimates have been made by the writer in some instances.

B. POPULATION DATA AND PROJECTIONS.

(See Tables B-1 to B-5).

The approach used in projecting population was to make forecasts largely on a historical basis for each province. If labour force data for each province for the 1961 census had been available, another technique could have been used to test the projections. Three projections: high, medium, and low, were made. The medium projection is used as the basis for projections of education expenditure.

C. PERSONAL INCOME DATA AND PROJECTIONS.

(See Tables C-1 to C-6).

Personal income is the chief measure of ability to pay which is available for all the provinces. It was projected on a historical basis for each province.

D. PUBLIC ELEMENTARY AND SECONDARY EDUCATION.

(See Tables D-1 to D-19).

Various methods were used in projecting enrolment, number of teachers, pupil-teacher ratios, and expenditures. These are indicated in the Tables.

E. GOVERNMENT EXPENDITURE AND REVENUE.

(See Tables E-1 to E-4).

This appendix provides a summary view of the expenditures and revenues of the three levels of government for the period 1947-1962 on the basis of national accounts data.

NOTE. Throughout the Appendix Tables, any failure of the items to add up exactly to the totals is due to the rounding off of figures.

TABLE A-1
TOTAL EXPENDITURE ON FORMAL EDUCATION (a)
CANADA
1926, 1931, 1936, 1941, and 1946-1963

Year	In Millions of Current Dollars	As a Percentage of G.N.P.	As a Percentage of Personal Income
1926	142	2.7	3.5
1931	179	3.8	4.9
1936	140	3.0	4.0
1941	156	1.9	2.7
1946	290	2.4	3.0
1947	352	2.7	3.4
1948	372	2.5	3.1
1949	408	2.5	3.2
1950	464	2.6	3.5
1951	516	2.4	3.3
1952	584	2.4	3.1
1953	627	2.5	3.4
1954	713	2.9	3.9
1955	808	3.0	4.1
1956	909	3.0	4.2
1957	1,088	3.5	4.7
1958	1,235	3.8	5.0
1959	1,419	4.1	5.5
1960	1,591	4.4	5.9
1961	1,794	4.9	6.4
1962	2,036	5.0	6.6
1963	2,322		

(a) Expenditure data include both current and capital outlays. Formal education includes elementary and secondary education, teacher training, higher education, and vocational training. Excluded are related cultural activities and private trade schools.

Sources: D.B.S., Education Division, *Survey of Education, 1958*, Queen's Printer, Ottawa, August, 1962, p. 8, for 1926 to 1958 inclusive. The data for 1959-1961 are preliminary and are selected from D.B.S., *Preliminary Statistics of Education, 1959-63*, Queen's Printer, Ottawa (latest issue, June, 1963). The 1962 and 1963 data are estimates from the same source.

TABLE A-2
TOTAL EXPENDITURE ON FORMAL EDUCATION (a) CANADA
BY CATEGORIES 1954-1963 IN MILLIONS OF DOLLARS

Year	Elementary and Secondary Education		Teacher Training Outside Universities	Higher Education	Vocational Training	Total Expenditure●
	Public	Private				
	Total			(b)	(c)	(d)
1954	570	19	5	95	24	713
1955	651	20	7	104	26	808
1956	741	22	7	108	30	909
1957	856	34	10	150	39	1,088
1958	973	40	12	169	42	1,235
1959	1,081	42	10	240	46	1,419
1960	1,209	47	16	267	52	1,591
1961	1,339	54	21	302	78	1,794
1962	1,506	59	24	353	93	2,036
1963	1,695	65	28	422	112	2,322

(a) Includes both current and capital outlays.

(b) In addition to the expenditures of universities and colleges there is included the costs of operating defence colleges and outlays on scholarships.

(c) The data include only the expenditures on training taking place outside the secondary schools. Outlays for vocational training in the latter are include in the category "elementary and secondary education." Segregated data are not available. The expenditures of business colleges are included, but the costs of operating private trade schools are excluded because details of their finances are not available.

Sources: D.B.S., *Survey of Education Finance, 1954-1958*, and *Preliminary Statistics of Education, 1959-63*, Queen's Printer, Ottawa. The data for 1959 and 1960 are preliminary and for 1961, 1962, and 1963 they are estimates.

TABLE A-3

TOTAL EXPENDITURE ON FORMAL EDUCATION

CANADA

BY SOURCES OF FUNDS

1954 - 1963

IN MILLIONS OF DOLLARS

Year	Local Taxation	Provincial Governments	Federal Government	Other Sources	Total Expenditure
	(a)			(b)	
1954	335	276	39	63	713
1955	343	333	48	83	808
1956	394	364	65	86	909
1957	452	456	79	102	1,088
1958	497	522	100	117	1,235
1959	549	580	110	181	1,419
1960	608	671	115	197	1,591
1961	676	765	143	211	1,794
1962	710	931	165	230	2,036
1963	750	1,129	193	250	2,322

(a) Including Yukon and the Northwest Territories.

(b) Fees, gifts, and other sources.

Sources: D.B.S., Survey of Education Finance and Preliminary Statistics of Education. The 1962 and 1963 totals are D.B.S. estimates. The details for 1962 and 1963 were estimated by the writer and they are very approximate.

TABLE A-4
TOTAL EXPENDITURE ON ELEMENTARY AND
SECONDARY EDUCATION
CANADA
BY SOURCES OF FUNDS
1954 - 1963
IN MILLIONS OF DOLLARS

Year	Local Taxation	Provincial Governments	Federal Government	Other Sources	Total Expenditure
		(a)	(b)	(c)	
1954	335	211	18	24	589
1955	343	261	25	42	671
1956	394	294	31	43	763
1957	452	348	39	50	889
1958	496	411	45	60	1,013
1959	548	453	49	72	1,123
1960	607	515	54	79	1,256
1961	675	561	67	90	1,393
1962	709	680	76	100	1,565
1963	749	820	81	110	1,760

(a) Including Yukon and the Northwest Territories.

(b) Indian education, education of Indians and Eskimos in the Northwest Territories, education of servicemen's dependants, Canadian Vocational Training, and other.

(c) Fees, gifts, and other sources (includes private schools).

Sources: Ibid. The totals for 1962 and 1963 are D.B.S. estimates from Preliminary Survey of Education, 1962 - 1963. Details were not available, but were estimated very approximately.

TABLE A-5

TOTAL EXPENDITURE ON HIGHER EDUCATION (a)

CANADA

BY SOURCES OF FUNDS

1954 - 1963

IN MILLIONS OF DOLLARS

Year	Local Taxation	Provincial Governments	Federal Government	Other Sources	Total Expenditure
1954	0.3	49	16	35	100
1955	0.7	56	18	36	110
1956	0.3	49	29	37	115
1957	0.4	80	33	46	160
1958	0.4	83	46	51	181
1959	0.4	96	51	103	250
1960	0.4	119	52	111	283
1961	0.7	162	48	112	323
1962	1	206	50	120	377
1963	1	259	60	130	450

(a) Universities, colleges, defence colleges, scholarships, and teacher training outside universities.

Sources: Ibid. The 1962 and 1963 totals are D.B.S. estimates. Details are not available, but were estimated very approximately.

TABLE A-6
TOTAL EXPENDITURE ON VOCATIONAL EDUCATION (a)
CANADA
BY SOURCES OF FUNDS
1954 - 1963
IN MILLIONS OF DOLLARS

Year	Local Taxation	Provincial Governments	Federal Government	Other Sources	Total Expenditures
	(b)			(c)	
1954	—	15	5	4	24
1955	—	17	5	4	26
1956	—	20	5	5	30
1957	—	28	6	5	39
1958	—	27	8	6	42
1959	—	31	9	6	46
1960	—	37	9	7	52
1961	—	42	27	8	78
1962	—	45	39	9	93
1963	—	50	52	10	112

(a) Institutes of technology, trades training, apprenticeship, training of unemployed, training of handicapped, training of health and welfare personnel, training of inmates of reform institutions, training of Indians and Eskimos, and other.

b) Included under "Elementary and Secondary Education."

(c) Includes business colleges.

Sources: *Ibid.* The totals for 1962 and 1963 are estimates. The details were not available and were estimate very approximately.

TABLE A-7
EXPENDITURE ON CULTURAL ACTIVITIES
CANADA, 1958 IN THOUSANDS OF DOLLARS

Activity	Local Taxation	Provincial Government	Federal Government	Other Sources	Total
1. Adult Education, including Night Schools	(a)	1,613	389	1	2,003
2. Fine Arts	—	1,801	1,047	53	2,901
3. Handicrafts	—	212	—	—	212
4. Libraries	10,458	2,851	542	1,287	15,138
5. Archives, Museums and Art Galleries	—	1,811	6,137	5	7,953
6. National Film Board	—	—	569	—	569
7. Cultural Productions	—	—	—	—	—
7. Cultural Societies	—	105	15	—	120
8. UNESCO Grants	—	—	365	—	365
8. UNESCO Grant	—	—	—	—	—
TOTAL	10,458	8,393	9,064	1,346	29,261

(a) Included in "Elementary and Secondary Education."
Source: D.B.S., Survey of Education Finance, 1958, Queen's Printer, Ottawa, August, 1962, p. 16. The total expenditure recorded increase from \$15.6 million in 1954 to \$29.3 million in 1958.

TABLE A-8
EXPENDITURE ON FORMAL EDUCATION
BY GOVERNMENTS
CANADA
1954 - 1961
TOTALS AND PERCENTAGE SHARES

Year	Municipal	Provincial	Federal	Total
(a)				
IN MILLIONS OF DOLLARS				
1954	335	276	39	650
1955	343	333	48	724
1956	394	364	65	823
1957	452	456	79	987
1958	497	522	100	1,119
1959	549	580	110	1,239
1960	608	671	115	1,394
1961	676	765	143	1,584
PERCENTAGE SHARES				
1954	52	42	6	100
1955	47	46	7	100
1956	48	44	8	100
1957	46	46	8	100
1958	45	47	9	100
1959	44	47	9	100
1960	44	48	8	100
1961	43	48	9	100
PERCENTAGE OF TOTAL EXPENDITURE ON FORMAL EDUCATION				
1954	47	39	5	91
1955	43	41	6	90
1956	44	40	7	91
1957	41	42	7	90
1958	40	42	8	90
1959	39	41	8	87
1960	38	42	7	88
1961	38	43	8	88

(a) Including Yukon and the Northwest Territories.

Source: Ibid. and Tables A-1 to A-7 incl.

TABLE A-9
EXPENDITURE ON FORMAL EDUCATION
BY GOVERNMENTS
CANADA
1954 - 1961
PERCENTAGES OF G.N.P. AND
OWN TOTAL REVENUE

Year	Municipal	Provincial	Federal	Total
(a)				
PERCENTAGE OF G.N.P.				
1954	1.35	1.11	0.16	2.62
1955	1.26	1.23	0.18	2.67
1956	1.28	1.19	0.21	2.68
1957	1.42	1.43	0.25	3.10
1958	1.51	1.59	0.30	3.40
1959	1.57	1.67	0.32	3.56
1960	1.69	1.87	0.32	3.88
1961	1.83	2.07	0.39	4.29
PERCENTAGE OF OWN TOTAL REVENUE (b)				
1954	35.5	22.2	0.9	9.7
1955	33.0	23.6	1.0	9.8
1956	33.9	22.8	1.2	9.9
1957	35.1	24.3	1.4	11.3
1958	35.1	26.3	1.8	12.8
1959	35.2	25.9	1.8	12.6
1960	35.5	28.6	1.8	13.3
1961	37.5	30.1	2.0	14.4

(a) Including Yukon and the Northwest Territories.

(b) Total revenue of each level of government, net of intergovernmental transfers, and the total for all governments excludes intergovernmental transfers. The revenue data are drawn from D.B.S., **National Accounts, Income and Expenditure**. In the late 1920's education expenditure was about 15 per cent of total revenue; in the early 1930's it reached 20 per cent; in 1939 it was about 13 per cent; during the war it fell to 5 per cent in 1944, and then increased to nearly 8 per cent in 1946.

TABLE A-10
TOTAL EXPENDITURE ON FORMAL EDUCATION
PROVINCIAL-MUNICIPAL GOVERNMENTS
BY CATEGORY AND PROVINCES
1961
IN MILLIONS OF DOLLARS

Province	Elementary and Secondary Education	Vocational Education	Teacher's Colleges	Higher Education	Total Provincial- Local
Newfoundland	17.1	0.6	0.4	1.0	19.1
Prince Edward Island	4.6	0.3	0.1	0.6	5.6
Nova Scotia	42.9	1.1	2.0	2.3	48.4
New Brunswick	31.3	1.2	0.3	1.3	34.1
Quebec	258.8	21.6	11.0	51.0	342.5
Ontario	497.0	9.5	4.6	46.5	557.6
Manitoba	61.1	0.7	0.5	6.1	68.4
Saskatchewan	76.6	1.2	0.6	5.8	84.2
Alberta	115.7	2.8	0.7	13.5	133.6
British Columbia	126.4	2.9	0.4	14.0	143.7
Yukon and Northwest Territories	4.0	—	—	—	4.0
TOTAL	1,235.5	42.0	20.6	142.3	1,440.2

Sources: D.B.S., Preliminary Statistics of Education, 1962 - 63, Queen's Printer, Ottawa, June, 1963.

TABLE A-11
TOTAL EXPENDITURE ON FORMAL EDUCATION
PROVINCIAL-MUNICIPAL GOVERNMENTS
BY LEVEL OF GOVERNMENT AND OTHER DATA 1961

Province	Local Taxation	Provin- cial Govern- ment	Total Provincial Municipal	Per Cent Local	Total Per Capita	Total as Per Cent of Personal Income
IN MILLIONS OF DOLLARS			TO NEAREST DOLLAR			
Newfoundland	0.2	18.8	19.1	1	42	4.6
Prince Edward Island	1.9	3.7	5.6	34	53	5.6
Nova Scotia	22.1	26.3	48.4	46	65	5.5
New Brunswick	20.5	13.6	34.1	60	57	5.4
Quebec	152.5	190.0	342.5	44	65	4.9
Ontario	285.1	272.5	557.6	51	89	4.9
Manitoba	34.1	34.3	68.4	50	74	5.0
Saskatchewan	41.6	42.6	84.2	49	91	7.7
Alberta	56.9	75.7	132.6	43	100	6.3
British Columbia	60.3	83.4	143.7	42	88	4.9
Yukon and Northwest Territories	0.3	3.7	4.0	8	108	8.7
TOTAL	675.6	764.8	1,440.3	48	77	5.2

Source: Ibid.

TABLE B-1
TOTAL POPULATION
CANADA AND THE PROVINCES
CENSUS YEARS 1921 - 1961
IN THOUSANDS

Region	1921	1931	1941	1951	1956	1961
Newfoundland	263	282	303	361	415	458
Prince Edward Island	89	88	95	98	99	105
Nova Scotia	524	513	578	643	695	737
New Brunswick	388	408	457	516	555	598
Quebec	2,360	2,875	3,332	4,056	4,628	5,259
Ontario	2,934	3,432	3,788	4,598	5,405	6,236
Manitoba	610	700	730	776	850	922
Saskatchewan	758	922	896	832	881	925
Alberta	588	732	796	940	1,123	1,332
British Columbia	525	694	818	1,165	1,398	1,629
Yukon and Northwest Territories	12	14	17	25	32	38
TOTAL CANADA	9,051	10,658	11,810	14,009	16,081	18,238

Source: Census of Canada, 1921 - 1961, and estimates for Newfoundland, 1921-1941.

TABLE B-2
TOTAL POPULATION
CANADA AND THE PROVINCES
CENSUS YEARS 1921 - 1961
AS PERCENTAGE OF TOTAL IN CANADA

Region	1921	1931	1941	1951	1956	1961
Newfoundland	2.91	2.64	2.57	2.58	2.58	2.51
Prince Edward Island	0.98	0.83	0.81	0.70	0.62	0.57
Nova Scotia	5.79	4.81	4.89	4.59	4.32	4.04
New Brunswick	4.29	3.83	3.87	3.68	3.45	3.28
Quebec	26.08	26.97	28.21	28.95	28.78	28.84
Ontario	32.41	32.20	32.07	32.80	33.61	34.19
Manitoba	6.74	6.57	6.18	5.54	5.29	5.05
Saskatchewan	8.37	8.65	7.59	5.94	5.48	5.07
Alberta	6.50	6.86	6.74	6.71	6.98	7.30
British Columbia	5.80	6.51	6.93	8.32	8.70	8.93
Yukon and Northwest Territories	0.14	0.13	0.14	0.18	0.20	0.20
TOTAL CANADA	100.00	100.00	100.00	100.00	100.00	100.00

Source: *Ibid.*

TABLE B-3
POPULATION PROJECTIONS
1971 and 1981
CANADA AND THE PROVINCES
IN THOUSANDS

Region	High Projection		Medium Projection		Low Projection	
	Rate per Decade, Per Cent	1971	1981	Rate per Decade, Per Cent	1971	1981
	(a)			(b)		(c)
Newfoundland	26.7	580	735	20.9	554	670
Prince Edward Island	6.6	111	118	5.0	110	115
Nova Scotia	14.7	845	969	11.9	825	923
New Brunswick	15.9	693	803	13.6	679	771
Quebec	29.7	6,821	8,847	26.0	6,626	8,347
Ontario	35.6	8,456	11,466	28.3	8,001	10,265
Manitoba	18.7	1,094	1,299	14.8	1,058	1,215
Saskatchewan	11.2	1,029	1,144	9.1	1,009	1,101
Alberta	41.8	1,889	2,679	32.5	1,765	2,339
British Columbia	39.8	2,277	3,183	36.4	2,222	3,031
Yukon and Northwest Territories	49.8	56	84	41.5	53	75
CANADA	(d)	23,851	31,327	(e)	22,902	28,852
				(f)	21,963	26,523

- (a) The rate for each province under the high projection is the percentage increase experienced by it during the decade 1951-1961.
- (b) The rate for each province under the medium projection is the mean of the rate per decade for the long period 1921-1961 and the short period 1951-1961.
- (c) The rate for each province under the low projection is the rate per decade for the period 1921-1961.
- (d) The Canadian totals are resultants of the summation of provincial projections. The rate of increase for 1961-1971 is 30.8 per cent and that for 1971 - 1981 is 31.4 per cent.
- (e) The rate of increase for 1961-1971 is 25.6 per cent and that for 1971-1981 is 26.4 per cent.
- (f) the rate of increase for 1961-1971 is 20.4 per cent and that for 1971-1981 is 20.8 per cent.
- Source: Ibid.

TABLE B-4
CHANGES IN THE POPULATION GROUP
AGED 5 TO 17 INCLUSIVE
CANADA AND ITS PROVINCES
1941 - 1961 AND PROJECTIONS

Province	Percentage Change	Percentage Increase	Percentage Increases Indicated	
			Medium	Projections
	1941 - 1951	1951 - 1961	1961 - 1971	1971 - 1981
	(a)	(a)	(b)	(b)
Newfoundland	N.A.	50	18	17
Prince Edward Island	1	21	12	13
Nova Scotia	10	30	14	11
New Brunswick	8	35	11	11
Quebec	11	45	20	20
Ontario	10	70	33	25
Manitoba	- 3	42	20	15
Saskatchewan	-18	25	18	6
Alberta	6	64	38	28
British Columbia	42	78	32	28
Yukon and Northwest Territories	N.A.	63	82	48
TOTAL				
CANADA	12	53	23	21

(a) From Census of Canada

(b) There percentage were derived by a detailed process of projecting age groups into future years, allowing for mortality and migration. The data are necessarily tentative, and are based on the assumption of no major structural changes in the economies of the provinces, as well as a number of other assumptions, including those of the medium population projections.

TABLE B-5
INCREASES IN THE POPULATION GROUP
AGED 18 TO 24 INCLUSIVE
1941 - 1961 AND PROJECTIONS

	Percentage Change	Percentage Change	Indicated Percentage Increases Medium Projections	
Province	1941 - 1951	1951 - 1961	1961 - 1971	1971 - 1981
	(a)	(a)	(b)	(b)
Newfoundland	N.A.	19	80	15
Prince Edward Island	-18	- 3	80	10
Nova Scotia	-15	10	50	15
New Brunswick	-14	7	80	10
Quebec	10	14	50	15
Ontario	5	14	55	25
Manitoba	-17	5	50	15
Saskatchewan	-27	- 7	60	15
Alberta	1	21	50	35
British Columbia	12	26	60	25
Yukon and Northwest Territories	N.A.	30	25	75
TOTAL CANADA	2	14	55	20

(a) From Census of Canada

(b) Derived by the same procedures as for the data in Table B-4. The estimates are approximate and rounded off. This age group is very mobile and provincial estimates are therefore difficult to make.

TABLE C-1
TOTAL PERSONAL INCOME
CANADA AND THE PROVINCES
SELECTED YEARS 1926 - 1961
IN MILLIONS OF CURRENT DOLLARS

Region	1926	1941	1946	1951	1956	1961
Newfoundland (a)				205	311	414
Prince Edward Island	21	23	43	60	78	100
Nova Scotia	147	228	412	499	675	878
New Brunswick	108	148	284	383	497	630
Quebec	938	1,470	2,339	3,763	5,318	7,004
Ontario	1,537	2,494	3,738	6,093	8,617	11,405
Manitoba	295	343	594	881	1,126	1,361
Saskatchewan	357	272	641	1,106	1,226	1,095
Alberta	293	323	686	1,228	1,635	2,107
British Columbia (b)	318	511	922	1,568	2,332	2,947
Yukon and Northwest Territories (c)				21	43	46
TOTAL CANADA	4,014	5,851	9,719	15,824	21,885	28,049

(a) Not available before 1949.

(b) Includes Yukon and Northwest Territories before 1951.

(c) Not available for period prior to 1951.

Source: D.B.S., National Accounts, Income and Expenditure.

TABLE C-2
PERSONAL INCOME PER CAPITA
CANADA AND THE PROVINCES
SELECTED YEARS 1926 - 1961
IN CONSTANT 1957 DOLLARS (a)

Region	1926	1941	1946	1951	1956	1961
Newfoundland (b)				623	775	852
Prince Edward						
Island	425	442	734	671	816	899
Nova Scotia	505	721	1,087	851	1,005	1,123
New Brunswick	482	592	954	814	927	993
Quebec	636	806	1,034	1,017	1,188	1,255
Ontario	858	1,204	1,465	1,453	1,649	1,724
Manitoba	815	859	1,311	1,244	1,369	1,392
Saskatchewan	768	555	1,236	1,458	1,440	1,115
Alberta	851	741	1,370	1,433	1,506	1,491
British						
Columbia (c)	909	1,119	1,441	1,475	1,725	1,705
Yukon and						
Northwest Territories (d)				921	1,434	1,172
TOTAL						
CANADA	751	931	1,271	1,241	1,407	1,449

(a) Current dollar data were deflated by the implicit index for personal expenditure on consumer goods and services in D.B.S., **National Accounts, Income and Expenditure**.

(b) Not available before 1949.

(c) Includes Yukon and Northwest Territories before 1951.

(d) Not available before 1951.

Source: Ibid.

TABLE C-3
PERSONAL INCOME PER CAPITA
CANADA AND THE PROVINCES
SELECTED YEARS 1926 - 1961
BY INDEXES WITH CANADA = 100

Region	1926	1941	1946	1951	1956	1961
Newfoundland (a)				50	55	59
Prince Edward Island	57	47	58	54	58	62
Nova Scotia	67	77	86	69	71	78
New Brunswick	64	64	75	66	66	69
Quebec	85	87	81	82	84	87
Ontario	114	129	115	117	117	119
Manitoba	109	92	103	100	97	96
Saskatchewan	102	60	97	117	102	77
Alberta	113	80	108	115	107	103
British Columbia (b)	121	120	113	119	123	118
Yukon and Northwest Territories (c)				74	102	81
TOTAL CANADA	100	100	100	100	100	100

(a) Not available before 1949.

(b) Includes Yukon and Northwest Territories before 1951.

(c) Not available before 1951.

Source: Ibid.

TABLE C-4
PERSONAL INCOME DATA AND PROJECTIONS
CANADA AND THE PROVINCES
1926 - 1961, 1946 - 1961, and PROJECTIONS TO 1981

Region	Rates of Increase			Constant 1957 Dollars per Capita	
	1926-1961 Per Cent per Decade	1946-1961 Per Cent per Decade	Per Cent Indicated Rate per Decade 1961 - 1981	1971	1981
	(a)	(b)	(c)	(d)	(d)
Newfoundland (e)			20	1,022	1,226
Prince Edward Island	29.3	15.1	22	1,097	1,338
Nova Scotia	30.4	5.5	18	1,325	1,564
New Brunswick	27.9	4.3	16	1,152	1,336
Quebec	22.8	14.3	19	1,493	1,777
Ontario	23.9	11.7	18	2,034	2,400
Manitoba	21.9	4.5	13	1,573	1,778
Saskatchewan	39.7	-3.8	18	1,316	1,553
Alberta	30.0	5.9	18	1,759	2,076
British Columbia	20.8	11.9	16	1,964	2,278
Yukon and Northwest Territories (f)			20	1,406	1,687
TOTAL					
CANADA	23.4	8.2			

- (a) The increase in personal income per capita is in constant dollars for the 35-year period converted to a percentage rate per decade.
- (b) The 15-year increase in personal income per capita in constant dollars for the 15-year period converted to a percentage rate per decade.
- (c) Average of the rates in the two previous columns rounded off to the nearest per centage.
- (d) Projected from the indicated rate.
- (e) Not available for 1926-1961 and 1946-1961. The indicated rate has been set at 20 per cent per decade, or approximately the rate for 1956-1961.
- (f) Not available for 1926-1961 and 1946-1961. The indicated rate has been set at 20 per cent per decade. The rate for 1951-1961 was 27.2 per cent, and that for 1956-1961 was -40.0 per cent.

Source: Ibid.

TABLE C-5
PERSONAL INCOME PROJECTIONS
CANADA AND THE PROVINCES
1971 AND 1981
IN MILLIONS OF CONSTANT 1957 DOLLARS

Region	High Projection		Medium Projection		Low Projection	
	1971	1981	1971	1981	1971	1981
Newfoundland	593	901	566	821	539	744
Prince Edward Island	122	158	121	154	120	151
Nova Scotia	1,120	1,516	1,093	1,444	1,065	1,372
New Brunswick	789	1,073	783	1,030	767	990
Quebec	10,184	15,721	9,893	14,833	9,603	13,978
Ontario	17,200	27,518	16,274	24,636	15,361	21,948
Manitoba	1,721	2,310	1,664	2,160	1,609	2,020
Saskatchewan	1,354	1,777	1,327	1,710	1,304	1,648
Alberta	3,323	5,562	3,105	4,856	2,887	4,198
British Columbia	4,472	7,251	4,364	6,905	4,258	6,574
Yukon and Northwest Territories	79	142	75	127	70	116
TOTAL CANADA	40,966	63,929	39,265	58,676	37,583	53,739
PER CAPITA, CANADA	1,718	2,041	1,715	2,034	1,711	2,026

Source: Ibid.

TABLE C-6
PROJECTIONS OF GROSS NATIONAL PRODUCT
CANADA
1971 AND 1981
IN MILLIONS OF CONSTANT 1957 DOLLARS

	1961	1971	1981
High Projection	34,529	53,520(a)	83,491(b)
Medium Projection	34,529	51,103(c)	76,143(d)
Low Projection	34,529	49,031(e)	70,114(f)

(a) 55 per cent increase over 1961, or 4.5 per cent per year as per rate of increase in projected personal income for Canada under the high projection.

(b) 56 per cent increase over 1971 as per rate of increase in projected personal income for Canada under the high projection.

(c) 48 per cent increase over 1961, or 4.0 per cent per year as per rate of increase in projected personal income for Canada under the medium projection.

(d) 49 per cent increase over 1971 as per rate of increase in projected personal income for Canada under the medium projection.

(e) 42 per cent increase over 1961, or 3.5 per cent per year as per rate of increase in projected personal income for Canada under the low projection.

(f) 43 per cent increase over 1971 as per rate of increase in projected personal income.

Source: Ibid.

TABLE D-1
PUPIL ENROLMENT PUBLIC ELEMENTARY AND SECONDARY SCHOOLS
CANADA AND THE PROVINCES 1941-1961 AND PROJECTION 1971-1981
IN THOUSANDS

Province	Medium Projections						
	1941	1946	1951	1956	1961	1971	1981
	(a)				(b)		(c)
Newfoundland	66.2	71.9	83.7	108.1	133.7	167	200
Prince Edward Island	18.0	17.9	19.1	22.0	27.7	29	33
Nova Scotia	116.1	122.2	138.0	160.3	186.3	224	257
New Brunswick	91.1	96.4	106.5	131.1	155.2	179	205
Quebec	631.5	615.8	742.5	984.1	1,158.2	1,448	1,810
Ontario	628.0	678.0	814.1	1,097.5	1,462.2	1,874	2,566
Manitoba	126.6	120.8	132.8	165.3	194.9	234	269
Saskatchewan	197.0	170.3	168.3	184.8	215.6	259	285
Alberta	161.6	155.5	179.7	234.4	307.7	431	560
British Columbia	118.4	137.8	183.1	260.2	341.2	461	599
Yukon and Northwest Territories					8.2	15	22
TOTAL	2,154.52	2,186.6	2,567.8	3,347.7	4,188.9	5,421	6,806

(a) School year 1941-1942. The calendar year 1946 similarly corresponds to the school year 1946-1947, and so on. This applies to all subsequent Tables.

(b) Projected from the rates of increase shown in Table D-2 for 1961-1971.

(c) Projected from the rates of increase shown in Table D-2 for 1971-1981.

Sources: D.B.S., *Survey of Elementary and Secondary Education, 1956-1958*, Queen's Printer, Ottawa, 1960, Table 17, for 1941-56 inclusive; D.B.S. *Preliminary Statistics of Education, 1962-1963*, for 1961 data.

TABLE D-2
PUPIL ENROLMENT
PUBLIC ELEMENTARY AND SECONDARY SCHOOLS
BY PROVINCES
CHANGES BY DECADES
IN PERCENTAGES

Province	Percentage Change	Percentage Change	Indicated Percentage Increases Medium Projections	
	1941 - 1951	1951 1961	1961 - 1971	1971 - 1981
	(a)	(a)	(b)	(b)
Newfoundland	26	60	25	20
Prince Edward Island	6	35	15	15
Nova Scotia	18	35	20	15
New Brunswick	17	46	15	15
Quebec	17	55	25	25
Ontario	30	80	35	30
Manitoba	5	47	20	15
Saskatchewan	-15	28	20	10
Alberta	11	71	40	30
British Columbia	55	86	35	30
Yukon and Northwest Territories	N.A.	N.A.	80	50
TOTAL	19	63	29	25

(a) From Table D-1.

(b) These percentage are derived from the census projections of the age group 5 - 17 years of age in Table B-4. An upward adjustment has been made to allow for higher enrolment per population group, mainly those in the 15 to 17 year group.

TABLE D-3
NUMBER OF TEACHERS PUBLIC ELEMENTARY AND SECONDARY SCHOOLS
CANADA AND THE PROVINCES 1941-1961 AND PROJECTIONS 1971 AND 1981
IN THOUSANDS

Province	Medium Projections						
	1941	1946	1951	1956	1961	1971	1981
						(a)	(a)
Newfoundland	2.0	2.3	2.6	3.4	4.5	5.9	7.4
Prince Edward Island	0.7	0.7	0.7	0.8	1.0	1.1	1.4
Nova Scotia	3.4	3.8	4.6	5.8	6.9	8.7	10.5
New Brunswick	2.9	3.0	4.1	4.9	6.0	7.2	8.8
Quebec	25.6	26.5	31.4	41.6	49.0	62.4	84.3
Ontario	21.7	23.0	27.7	38.1	50.9	72.3	98.3
Manitoba	4.5	4.6	5.1	6.3	7.6	9.5	11.5
Saskatchewan	7.2	7.1	7.2	7.8	9.0	11.2	13.0
Alberta	6.0	5.3	6.9	8.9	13.2	18.6	25.5
British Columbia	4.1	4.8	6.6	9.2	12.4	17.7	24.4
Yukon and Northwest Territories					0.2	0.4	0.7
TOTAL	78.1	81.1	97.0	126.8	160.7	215.0	285.8

(a) Projected from pupil enrolment data for 1971 and 1981 in Table D-1 and pupil-teacher ratios for the same years in Table D-4.

Sources: D.B.S., *Salaries and Qualifications of Teachers in Public Elementary and Secondary Schools, 1961-1962*, Queen's Printer, Ottawa, January 1963, for 1941 to 1956; D.B.S., *Preliminary Statistics of Education, 1962-1963*, Queen's Printer, Ottawa, June, 1963, for 1961.

TABLE D-4
PUPIL-TEACHER RATIOS PUBLIC ELEMENTARY AND SECONDARY SCHOOLS
CANADA AND THE PROVINCES
1941-1961 AND PROJECTIONS 1971 AND 1981

Province	Medium Projections						
	1941	1946	1951	1956	1961	1971 (a)	1981 (a)
Newfoundland	33.1	31.3	32.4	32.1	29.8	28.4	27.0
Prince Edward Island	27.4	26.6	25.9	26.5	25.6	24.4	23.0
Nova Scotia	33.9	31.8	29.7	27.8	27.1	25.8	24.4
New Brunswick	31.5	32.1	26.1	27.0	25.9	24.7	23.3
Quebec	24.7	23.2	23.7	23.9	23.6	23.2	22.0
Ontario	28.9	29.5	29.4	28.8	28.7	27.3	25.9
Manitoba	28.3	26.4	25.8	26.0	25.7	24.6	23.3
Saskatchewan	27.4	24.1	23.3	23.8	23.9	23.2	22.0
Alberta	26.8	29.3	25.9	26.3	23.4	23.2	22.0
British Columbia	28.9	28.8	27.7	28.1	27.4	26.0	24.6
TOTAL	27.6	27.0	26.5	26.4	26.1	25.2	23.8

(a) In projecting pupil-teacher ratios the following procedure was used: The Ontario ratio for 1961 of 28.7 was taken as 100 and other provinces were indexed accordingly. Minimum indexes of 85 are used for Quebec, Saskatchewan, and Alberta. For 1961-1971 the Ontario ratio is assumed to fall by 5 per cent; the 1971 Ontario ratio is then used as the index for establishing the ratios for the other provinces. For 1971-1981 the Ontario ratio is again assumed to fall by 5 per cent, and the same procedures used to set the ratios for the other provinces.

Source: *Ibid.*

TABLE D-5
SCHOOL BOARD EXPENDITURES FROM CURRENT REVENUE TOTALS
PROVINCES OF CANADA IN MILLIONS OF DOLLARS
SELECTED YEARS AND PROJECTIONS

Provinces	1941	1946	1951	1956	1961	Medium Projections	
						1971	1981
						(a)	(a)
In Current Dollars							
Newfoundland			4.6	9.8	18.7	30	45
Prince Edward Island	0.4	0.6	1.3	1.9	4.1	6	9
Nova Scotia	4.3	6.8	12.8	21.3	36.9	57	81
New Brunswick	3.2	4.8	13.9	18.7	29.2	42	60
Quebec	26.9	41.1	69.0	146.7	283.0	429	690
Ontario	49.3	67.7	136.4	250.6	440.2	767	1,240
Manitoba	8.9	12.7	18.9	30.5	54.0	86	118
Saskatchewan	10.7	16.1	26.3	42.8	69.3	105	144
Alberta	8.9	15.3	31.5	57.8	114.3	197	319
British Columbia	10.1	13.3	42.2	68.8	123.0	210	335
Yukon and Northwest Territories			0.6		3.2	5	9
TOTAL	122.7	178.4	356.9	649.5	1,175.9	1,934	3,050

(a) Teachers' salaries are projected in Table D-6. The ratios of such salaries to total expenditure from current revenues were computed (see Table D-15) for each province. A slight downward trend in the ratios is assumed in keeping with the historical experience. As education becomes increasingly complex, many auxiliary and supporting services develop. From the ratios in Table D 15, and the projections of teachers' salaries in Table D-6, estimates were made for total expenditure. For example, the Newfoundland ratio of teachers' salaries to that expenditure is assumed to be 60 per cent for 1971 and 1981. Then total expenditure becomes 1.67 times the estimates for teachers' salaries in Table D-6.

Sources: For 1941-1961, various D.B.S. publications; for recent years the data in Preliminary Statistics of Education were used.

TABLE D-6
SCHOOL BOARD EXPENDITURES FROM CURRENT REVENUE
TEACHERS' SALARIES PROVINCES OF CANADA SELECTED YEARS
IN MILLIONS OF DOLLARS

	Medium Projections						
Provinces	1941	1946	1951	1956	1961	1971	1981
	In Current Dollars				In 1961 Dollars		
					(a)	(a)	(a)
Newfoundland			3.0	6.2	11.5	18.1	27.2
Prince Edward Island	0.4	0.5	0.9	1.4	2.6	3.6	5.4
Nova Scotia	2.8	4.5	7.8	14.5	23.0	34.1	48.5
New Brunswick	2.3	3.5	7.5	11.0	18.2	25.3	35.9
Quebec	13.9	22.7	36.5	74.0	141.5	214.4	344.7
Ontario	30.7	41.4	79.0	143.5	251.3	421.2	681.5
Manitoba	5.1	7.3	11.0	18.8	33.6	47.5	64.9
Saskatchewan	6.3	9.6	14.4	23.9	39.3	57.6	79.0
Alberta	6.0	8.7	17.2	30.3	65.2	108.4	175.4
British Columbia	6.4	8.4	19.7	36.8	69.4	115.0	183.9
Yukon and Northwest Territories				0.3	0.8	1.8	3.6
TOTAL	73.8	106.6	197.1	360.8	656.4	1,047.0	1,651.0

(a) These projections have been made by assuming that teachers' salaries will rise by the percentage increases in personal income per capita as per Table C-4.

Sources: Ibid., for 1941-1961. For the projections for 1971 and 1981, Table D-4 for the number of teachers and for increases in salary per teacher — the data in Table C-4.

TABLE D-7
SCHOOL BOARD EXPENDITURES FROM
CURRENT REVENUE
NON-TEACHING OPERATING COSTS
PROVINCES OF CANADA
1951, 1956, AND 1961
IN MILLIONS OF DOLLARS

Province	1951	1956	1961
Newfoundland	0.8	1.6	2.7
Prince Edward Island	0.2	0.3	0.7
Nova Scotia	N.A.	5.0	8.5
New Brunswick	N.A.	4.3	6.8
Quebec	19.9	34.2	65.1
Ontario	38.9	67.9	115.6
Manitoba	5.1	8.8	15.5
Saskatchewan	7.6	12.1	18.5
Alberta	10.1	18.8	31.1
British Columbia	8.7	20.6	37.5
Yukon and Northwest Territories		0.3	0.4
TOTAL		173.8	302.2

Source: *Ibid.* The data previous to 1951 are incomplete.

TABLE D-8
SCHOOL BOARD EXPENDITURES FROM
CURRENT REVENUE
CAPITAL COSTS (a)
PROVINCES OF CANADA
1951, 1956, AND 1961
IN MILLIONS OF DOLLARS

Province	1951	1956	1961
Newfoundland	0.8	2.0	4.5
Prince Edward Island	0.2	0.2	0.8
Nova Scotia	N.A.	1.8	5.4
New Brunswick	N.A.	3.3	4.2
Quebec	12.5	38.6	76.4
Ontario	18.6	39.2	73.4
Manitoba	2.7	2.9	4.9
Saskatchewan	4.2	6.8	11.6
Alberta	4.2	8.6	17.9
British Columbia	13.7	11.5	16.0
Yukon and Northwest Territories		0.1	2.1
TOTAL		114.9	217.3

(a) Capital outlays and debt charges.

Source: Ibid. The data previous to 1951 are incomplete.

TABLE D-9
CAPITAL EXPENDITURE OUT OF CAPITAL FUND
SCHOOL BOARDS
PROVINCES OF CANADA
1951 AND 1956 - 1960
IN MILLIONS OF DOLLARS

Province	1951	1956	1957	1958	1959	1960
Newfoundland	—	—	—	—	—	—
Prince Edward Island	—	0.3	0.9	1.1	0.4	1.2
Nova Scotia	2.1	2.7	4.9	7.7	6.6	8.8
New Brunswick	2.1	3.3	3.7	2.5	3.2	3.2
Quebec	N.A.	N.A.	52.2	44.9	56.0	75.5
Ontario	36.5	60.5	73.7	63.8	75.4	97.9
Manitoba	2.7	4.4	4.0	5.7	7.1	16.3
Saskatchewan	0.8	4.5	4.7	4.6	9.4	9.0
Alberta	9.9	21.9	18.4	20.2	28.9	30.1
British Columbia	1.6	18.6	21.7	18.3	21.6	16.3
TOTAL			184.2	168.9	208.5	258.3

Source: D.B.S., Financial Statistics of Municipal Governments, 1951-1960.
Data not readily available beyond 1960.

TABLE D-10
GROSS DEBENTURE DEBT
SCHOOL BOARDS
PROVINCES OF CANADA
SELECTED YEARS AS AT DECEMBER 31

Province	In Millions of Dollars			As a Per Cent of Personal Income		
	1951	1956	1960	1951	1956	1960
Newfoundland	—	—	—	—	—	—
Prince Edward Island	0.2	0.7	1.6	0.3	0.9	1.6
Nova Scotia	11.1	23.0	42.4	2.2	3.4	4.8
New Brunswick	13.9	24.7	32.5	3.6	4.9	5.1
Quebec	53.4	206.4	342.7	1.4	3.9	4.9
Ontario	120.8	337.6	589.2	2.0	3.9	5.1
Manitoba	11.8	25.6	50.3	1.3	2.3	3.7
Saskatchewan	9.4	22.0	39.8	0.9	1.8	3.6
Alberta	27.2	69.6	123.9	2.2	4.2	5.9
British Columbia	26.4	93.9	144.7	1.7	4.0	4.9
TOTAL	274.1	803.5	1,367.0	1.7	3.7	4.9

Source: Ibid.

TABLE D-11
SCHOOL BOARD REVENUES
PROVINCES OF CANADA
SELECTED YEARS AND PROJECTIONS
IN MILLIONS OF DOLLARS

Province	1941	1946	1951	1956	1961
Newfoundland			4.2	10.1	18.9
Prince Edward Island	0.4	0.6	1.3	2.0	4.6
Nova Scotia	4.3	6.8	12.8	22.3	39.3
New Brunswick	3.2	4.8	13.9	19.0	31.0
Quebec	26.4	34.7	69.0	139.6	264.1
Ontario	51.4	68.5	142.7	256.5	484.0
Manitoba	8.4	11.6	18.6	31.0	59.2
Saskatchewan	10.6	15.7	25.6	42.8	74.8
Alberta	10.9	15.3	32.5	58.5	115.1
British Columbia	10.0	13.5	41.9	67.2	122.9
Yukon and Northwest Territories				0.6	3.6
TOTAL	125.6	171.6	362.5	649.6	1,217.6

Sources: D.B.S., various publications on educational finance. See especially Preliminary Statistics of Education for data for recent years.

TABLE D-12
PROVINCIAL GRANTS RECEIVED
SCHOOL BOARDS
PROVINCES OF CANADA
SELECTED YEARS
IN MILLIONS OF DOLLARS

Province	1941	1946	1951	1956	1961
Newfoundland			3.6	7.7	15.4
Prince Edward Island	0.3	0.3	0.6	1.1	2.6
Nova Scotia	0.8	2.6	6.6	10.7	16.7
New Brunswick	0.6	1.2	6.3	7.1	9.2
Quebec	2.7	6.3	15.9	41.0	101.7
Ontario	7.7	29.3	47.4	80.3	185.6
Manitoba	1.2	1.5	4.3	8.9	24.9
Saskatchewan	2.7	3.8	7.5	13.0	31.3
Alberta	1.9	3.2	9.7	26.7	56.0
British Columbia	3.0	4.1	18.2	35.6	60.2
Yukon and Northwest Territories				0.3	3.0
TOTAL	21.0	52.4	120.1	232.5	506.6

Sources: Ibid.

TABLE D-13
LOCAL TAXATION REVENUE
SCHOOL BOARDS
PROVINCES OF CANADA
SELECTED YEARS
IN MILLIONS OF DOLLARS

Province	1941	1946	1951	1956	1961
Newfoundland	—	—	—	—	0.2
Prince Edward Island	0.2	0.3	0.5	0.9	1.9
Nova Scotia	3.5	4.2	5.7	11.4	22.1
New Brunswick	2.6	3.6	7.6	11.8	20.5
Quebec	22.1	27.3	50.6	93.9	152.5
Ontario	42.5	37.7	91.6	164.3	284.5
Manitoba	7.0	9.7	14.0	21.4	34.1
Saskatchewan	7.6	11.6	17.8	29.7	41.6
Alberta	8.1	11.7	21.9	30.4	56.9
British Columbia	7.0	8.9	22.3	29.8	60.3
Yukon and Northwest Territories				0.2	0.3
TOTAL	100.5	115.0	232.4	393.6	674.9

Sources: Ibid.

TABLE D-14
FEES AND OTHER SOURCES OF REVENUE
SCHOOL BOARDS
PROVINCES OF CANADA
SELECTED YEARS
IN MILLIONS OF DOLLARS

Province	1941	1946	1951	1956	1961
Newfoundland			0.7	2.4	3.3
Prince Edward Island	—	—	0.1	0.1	0.1
Nova Scotia	—	—	—	0.2	0.6
New Brunswick	—	—	—	0.2	1.3
Quebec	1.6	1.1	2.5	4.7	9.9
Ontario	1.2	1.6	3.8	11.9	13.9
Manitoba	0.2	0.4	0.3	0.6	0.2
Saskatchewan	0.3	0.3	0.4	0.1	1.8
Alberta	0.3	0.4	0.9	1.4	2.2
British Columbia	—	0.5	1.4	1.8	2.4
Yukon and Northwest Territories				0.1	0.4
TOTAL	3.6	4.2	10.0	23.4	36.1

Sources: Ibid.

TABLE D-15
SCHOOL BOARD EXPENDITURE FROM
CURRENT REVENUE
TEACHERS' SALARIES
PROVINCES OF CANADA
SELECTED YEARS
AS PER CENT OF TOTAL CURRENT EXPENDITURE

Province	1941	1946	1951	1956	1961	Projected
						Percentage, 1971 and 1981
Newfoundland			65	64	61	60
Prince Edward Island	80	79	68	72	64	60
Nova Scotia	65	66	60	68	62	60
New Brunswick	74	73	54	59	62	60
Quebec	52	55	53	50	50	50
Ontario	62	61	58	57	57	55
Manitoba	57	57	58	62	62	55
Saskatchewan	58	60	55	56	57	55
Alberta	67	57	55	53	57	55
British Columbia	63	63	47	53	57	55
Yukon and Northwest Territories				52	24	
TOTAL	60	60	55	56	56	54

Source: Tables D-5 and D-6.

TABLE D-16
SCHOOL BOARD EXPENDITURE FROM
CURRENT REVENUE
TOTALS
PROVINCES OF CANADA
1961 and PROJECTIONS FOR 1971 and 1981
IN MILLIONS OF CONSTANT (1957) DOLLARS (a)

Province	1961	1971	1981
Newfoundland	17	28	41
Prince Edward Island	4	6	8
Nova Scotia	34	52	75
New Brunswick	27	39	55
Quebec	261	394	635
Ontario	405	706	1,140
Manitoba	50	79	108
Saskatchewan	64	97	133
Alberta	105	181	293
British Columbia	113	194	308
Yukon and Northwest Territories	3	5	9
TOTAL	1,082	1,779	2,805
Add Capital Expenditure out of Capital Fund	150	231	365
Total Public Elementary Secondary Education	1,232	2,010	3,170

(a) Deflated by the implicit index for government goods and services as par D.B.S., National Accounts, Income and Expenditure.

TABLE D-17
TOTAL EXPENDITURE ON
PUBLIC ELEMENTARY AND SECONDARY EDUCATION
CANADA
1954 - 1961 AND PROJECTIONS FOR 1971 AND 1981
IN MILLIONS OF DOLLARS

Year	Current Expenditure of School Boards	Capital Expenditure out of Capital Fund	Total
In Current Dollars:			
1954	510	60	570
1955	576	75	651
1956	650	91	741
1957	756	100	856
1958	864	109	973
1959	985	96	1,081
1960	1,048	161	1,209
1961	1,176	163	1,339
Projections in 1961 Dollars:			
1971	1,934	251	2,185
1981	3,050	397	3,447
Projections in 1957 Dollars:			
1971	1,770	230	2,010
1981	2,806	364	3,170

(a) Difference between total expenditure on public elementary and secondary education and current expenditure. The estimate for capital outlays out of capital fund for 1971 and 1981 are taken at 13 per cent of current expenditure. The current expenditure includes debt charges, (including debt retirement) and capital outlays out of revenue.

Source: See Table A-2 and previous tables appendix D.

TABLE D-18
TOTAL SCHOOL BOARD EXPENDITURE OUT OF
CURRENT REVENUE
PROVINCES OF CANADA
SELECTED YEARS
AS A PERCENTAGE OF PERSONAL INCOME

Province	Medium Projections				
	1941	1951	1961	1971	1981
Newfoundland		2.2	4.5	4.9	5.0
Prince Edward Island	1.8	2.2	4.1	5.0	5.2
Nova Scotia	1.9	2.6	4.2	4.8	5.2
New Brunswick	2.2	3.6	4.6	5.0	5.3
Quebec	1.8	1.8	4.0	4.0	4.3
Ontario	2.0	2.2	3.9	4.3	4.6
Manitoba	2.6	2.1	4.0	4.8	5.0
Saskatchewan	3.9	2.4	6.3	7.3	7.8
Alberta	2.8	2.6	5.4	5.8	6.0
British Columbia	2.0	2.7	4.2	4.4	4.5
Yukon and Northwest Territories			7.0	7.0	7.0
TOTAL	2.1	2.3	4.2	4.5	4.8

Sources: Table D-5 for expenditure and Table C-4 for personal income data. The comparisons for 1941, 1951, and 1961 are in terms of current dollars; those for 1971 and 1981 are computed by reference to constant dollars. This affects the results to the extent that the implicit index for government goods and services varies from that for personal expenditure on consumer goods and services.

TABLE D-19
TOTAL SCHOOL BOARD EXPENDITURE OUT OF
CURRENT REVENUE
PROVINCES OF CANADA
1951, 1961 AND PROJECTIONS 1971 AND 1981
PER ENROLLED PUPIL

	In Constant (1957)					Index		
	Dollars					Canada = 100		
	1951	1961	1971	1981	1951	1961	1971	1981
Newfoundland	70	128	180	225	40	50	51	51
Prince Edward								
Island	86	147	206	273	48	57	58	61
Nova Scotia	119	181	254	315	67	70	71	71
New Brunswick	168	173	235	292	94	67	66	65
Quebec	118	225	295	382	66	87	83	86
Ontario	214	276	388	485	120	107	109	109
Manitoba	183	253	367	440	103	98	103	99
Saskatchewan	199	295	405	505	111	114	114	114
Alberta	224	345	458	570	126	133	128	128
British Columbia	295	330	455	560	165	128	128	126
Yukon and Northwest Territories		360	400	430		139	112	97
TOTAL CANADA	178	259	356	446	100	100	100	100

Sources: Tables D-1 and D-5.

TABLE E-1
EXPENDITURE AND REVENUE
FEDERAL GOVERNMENT
1947 - 1962
PERCENTAGES OF G.N.P.

Year	Expenditure	Revenue	Excluding Transfers to other Governments		
			Surplus or Deficit (—)	Net Transfers	Surplus or Deficit (—) Including Transfers
1947	14.2	20.7	6.5	-1.5	5.1
1948	11.6	17.7	6.1	-1.0	5.1
1949	12.2	16.2	4.1	-1.2	2.9
1950	11.5	16.4	4.9	-1.4	3.5
1951	13.4	19.4	6.0	-1.2	4.8
1952	16.7	19.3	2.6	-1.5	1.1
1953	16.7	18.8	2.2	-1.6	0.5
1954	16.8	18.2	1.4	-1.7	-0.3
1955	16.0	18.2	2.2	-1.7	-0.6
1956	14.8	18.2	3.4	-1.6	1.8
1957	15.1	17.5	2.4	-1.6	0.8
1958	16.5	16.2	-0.3	-2.0	-2.3
1959	15.8	17.4	1.6	-2.5	-0.9
1960	15.8	17.9	2.1	-2.8	-0.6
1961	16.2	18.0	1.8	-3.0	-1.2
1962	15.4	17.1	1.7	-2.8	-1.2

Sources: D.B.S., National Accounts, Income and Expenditure.

TABLE E-2
EXPENDITURE AND REVENUE
PROVINCIAL GOVERNMENTS
1947 - 1962
PERCENTAGES OF G.N.P.

Excluding Transfers to other Governments					
Year	Expenditure	Revenue	Surplus or Deficit (—)	Net Transfers	Surplus or Deficit (—) Including Transfers
1947	5.1	5.1	0.1	0.7	0.8
1948	5.4	5.4	0.0	0.2	0.2
1949	5.7	5.4	-0.3	0.2	-0.1
1950	5.6	5.4	-0.2	0.5	0.4
1951	5.4	5.4	0.1	0.3	0.4
1952	4.8	4.8	-0.1	0.7	0.6
1953	4.7	4.7	0.1	0.7	0.8
1954	5.1	5.0	-0.1	0.7	0.6
1955	5.2	5.2	0.0	0.5	0.5
1956	5.4	5.2	-0.2	0.4	0.2
1957	5.7	5.9	0.2	0.2	0.4
1958	6.2	6.1	-0.1	0.3	0.1
1959	6.8	6.4	-0.4	0.7	0.3
1960	7.5	6.5	-1.0	0.7	-0.3
1961	8.0	6.9	-1.1	0.7	-0.4
1962	8.0	8.1	0.1	0.2	0.3

Source: Ibid.

TABLE E-3
EXPENDITURE AND REVENUE
MUNICIPAL GOVERNMENTS
1947 - 1962
PERCENTAGES OF G.N.P.

Year	Expenditure	Revenue	Excluding Transfers to other Governments		
			Surplus or Deficit (—)	Net Transfers	Surplus or Deficit (—) Including Transfers
1947	4.4	3.4	-1.0	0.7	-0.3
1948	4.7	3.4	-1.3	0.8	-0.5
1949	4.9	3.4	-1.5	0.9	-0.6
1950	5.0	3.5	-1.5	0.9	-0.6
1951	4.8	3.4	-1.4	0.9	-0.5
1952	4.8	3.4	-1.4	0.9	-0.6
1953	5.1	3.5	-1.6	0.9	-0.7
1954	5.5	3.8	-1.7	1.0	-0.7
1955	5.7	3.8	-1.9	1.2	-0.7
1956	5.8	3.8	-2.0	1.1	-0.9
1957	6.3	4.1	-2.3	1.4	-0.9
1958	7.0	4.3	-2.7	1.7	-1.0
1959	7.1	4.5	-2.6	1.8	-0.9
1960	7.7	4.8	-2.9	2.0	-0.9
1961	8.0	4.9	-3.1	2.3	-0.8
1962	8.5	4.9	-3.6	2.7	-0.9

Source: Ibid.

TABLE E-4
EXPENDITURE AND REVENUE
ALL GOVERNMENTS COMBINED
1947 - 1962
PERCENTAGES OF G.N.P.

Year	Expenditure	Revenue	Surplus or Deficit (—)
1947	23.7	29.3	5.6
1948	21.7	26.5	4.8
1949	22.8	25.0	2.2
1950	22.1	25.3	3.2
1951	23.5	28.2	4.7
1952	26.3	27.4	1.1
1953	26.4	27.1	0.7
1954	27.4	27.0	-0.4
1955	26.9	27.2	0.3
1956	26.0	27.2	1.2
1957	27.1	27.4	0.3
1958	29.6	26.6	-3.1
1959	29.7	28.3	-1.4
1960	31.0	29.2	-1.8
1961	32.2	29.8	-2.4
1962	32.0	30.1	-1.9

Source: Ibid.

